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Century Group International Holdings Limited

世紀集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2113)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This is a voluntary announcement made by Century Group International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) to inform its shareholders of the latest business development of the Group.

BUSINESS OUTLOOK

The board of director of the Company confirms that its business operations continue to rest on a solid foundation, despite prevailing market conditions. The Group is navigating the current slowdown in Hong Kong's construction sector, which has been impacted by a sluggish economy and weakened real estate market. The market dynamics have resulted in fewer available private-sector construction projects and intensified competition, prompting more aggressive bidding strategies among participants. The Company acknowledges that its historical emphasis on site formation, tunnelling, and blasting works has limited its ability to fully capitalize on certain emerging market opportunities, particularly those arising from new development initiatives such as the Northern Metropolis. To address this competitive market environment, the Company has proactively implemented a strategic realignment aimed at broadening its operational scope to include redevelopment, renewal, and refurbishment projects, thereby enhancing the Company's market competitiveness and positioning.

STRATEGIC INITIATIVES

The Group is actively exploring business opportunities in redevelopment, renewal, and refurbishment projects. These projects typically have contract values ranging between HK\$2 million and HK\$30 million, with construction periods ranging from approximately 0.5 to 1.5 years. Such projects align effectively with the Group's existing technical expertise, self-owned equipment, and experienced workforce, and do not require significant operational adjustments. Although these projects have lower contract values than traditional site formation contracts, their shorter durations enable the Group to execute multiple projects concurrently, thereby accelerating revenue cycles and optimizing resource utilization. The Company primarily secures these contracts through referrals from clients and established relationships with architectural firms, leveraging its strong reputation for reliable project execution.

The Company has already reached the final negotiation stage for a HK\$13.8 million renovation and redevelopment project in Hong Kong, with formal agreements expected to be signed by March 2025. Additionally, the Company is in early-stage negotiations for three other renovation projects in Hong Kong, with a combined contract sum of HK\$12.2 million.

Furthermore, the Company is actively negotiating with a potential partner for a private commercial and residential development project in Hengqin Port, representing a strategic opportunity to enter the mainland China market as a contractor. This potential project would enable the Group to leverage its proven expertise in construction and site formation, positioning it to benefit from increased integration and economic development within the Greater Bay Area.

Beyond its core construction business, the Company is also pursuing other potential business opportunities to diversify its revenue streams and increase shareholder's value.

Further announcements will be made as and when appropriate should there be any material progress in ongoing project negotiations.

FINANCIAL POSITION

The Company maintains a strong financial foundation to execute its business strategy. Construction projects, including redevelopment and refurbishment works, typically provide the Company with upfront payments of 20% to 30% of the total contract sum from clients. Such upfront receivables, along with subsequent phased disbursements throughout the project period, ensure steady cash flow for the projects execution. Furthermore, the Company has secured a HK\$15 million loan facility to support its operations and remains confident in its ability to obtain additional construction project financing as needed.

Given these financial resources, the Company does not foresee any funding shortfall in executing its business plan. The Company remains well-positioned financially to capitalize on emerging market opportunities and pursue future growth initiatives as they arise.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Century Group International Holdings Limited
Man Wai Lun
Executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the Board comprises Mr. Man Wai Lun as executive Director and Mr. Law, Michael Ka Ming, Mr. Chung Man Lai and Ms. Lam Yuen Man Maria as independent non-executive Directors.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting and on the Company's website at www.centurygroup.com.hk.