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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00079)**

**ACQUISITION OF RIGHT-OF-USE ASSETS  
DISCLOSEABLE TRANSACTION IN RELATION  
TO A NEW LEASE AGREEMENT**

**THE NEW LEASE**

The Board announces that on 29 April 2020, Full Wave, an indirect non wholly-owned subsidiary of the Company, entered into the New Lease as tenant with City Sino, an Independent Third Party, as landlord in respect of the lease of the Premises for a term of three years commencing from 1 May 2020 to 30 April 2023 (both days inclusive) for the operation of the Group's hospitality service business.

**LISTING RULES IMPLICATIONS**

As one or more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the New Lease is more than 5% and below 25%, the New Lease constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The Board announces that on 29 April 2020, Full Wave, an indirect non wholly-owned subsidiary of the Company, entered into the New Lease as tenant with City Sino, an Independent Third Party, as landlord in respect of leasing the Premises for a term of three years commencing from 1 May 2020 to 30 April 2023 (both days inclusive) for the operation of the Group's hospitality service business.

\* *For identification purpose only*

## **KEY TERMS OF THE NEW LEASE**

- Date: 29 April 2020
- Parties:
- (i) City Sino Development Limited, an Independent Third Party, as the landlord
  - (ii) Full Wave Development Limited, an indirect non wholly-owned subsidiary of the Company, as the tenant
- Premises: 2nd Floor to 13th Floor, No. 375 King's Road, North Point, Hong Kong
- Term: Three years commencing on 1 May 2020 and expiring on 30 April 2023 (both days inclusive)
- Use: The tenant shall use the Premises solely for operating guesthouse business licensed under the Hotel and Guesthouse Accommodation Ordinance, (Cap349)
- Monthly rental: Monthly rent of HK\$450,000 throughout the term (exclusive of rates and other outgoings) to be paid in advance on the first day of each and every calendar month without deduction. The aggregate value of consideration payable under the New Lease is approximately HK\$15,300,000
- Under the New Lease, the tenant shall enjoy a two months' rent free period during the term
- Rates: The tenant shall pay rates charged on the Premises as assessed by the government of Hong Kong
- Security deposit: A cash deposit of HK\$1,350,000, being the sum of three months' rent shall be paid to the landlord on signing of the formal lease agreement
- Option to renew: The tenant shall have an option to renew the lease for a further term of three years from the expiration of the term at the prevailing market rent or HK\$450,000 per calendar month, whichever is higher

The monthly rent payment, the security deposit and the stamp duty will be paid through the Group's internal source of funding.

## **RIGHT-OF-USE ASSETS**

Pursuant to HKFRS 16, the tenancy of the Premises will be recognized as right-of-use assets for an amount of approximately HK\$14 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the New Lease.

## **REASONS FOR AND BENEFITS OF THE NEW LEASE**

The Company is an investment holding company and its subsidiaries are principally engaged in property investments, hospitality service, hair styling and securities investments.

The hospitality service industry in Hong Kong is facing a very challenging period amid the social-political unrest in the second half of 2019 and the outbreak of COVID-19 since January 2020, which has dampened local business environment, diminished consumer's spending and seriously affected the number of travelers.

The Directors are of the view that challenges also presented an opportunity for the Group to expand its hospitality service business with more favorable commercial terms offered in the current market sentiment. By entering into the New Lease, the Group will be able to increase the number of rooms in operation and effectively gaining benefit from achieving better economic of scale which is one of the Group's core business strategies in future development of our hospitality service business.

The Premises, located in North Point with 99 rooms, is in the traditional residential district and proximate to the well-developed island east commercial area with steady demand in hospitality service from the locals. Demand from travelers is expected to restore as the economy recovers from the pandemic. The Group plans to operate a hostel at the Premises.

The terms of the New Lease was arrived after arm's length negotiations and the rental was determined after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.

The Directors considered that the transactions contemplated under the New Lease was entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the New Lease were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **Full Wave**

Full Wave Development Limited is a limited liability company incorporated under the laws of Hong Kong on 21 February 2020, which is an indirect non wholly-owned subsidiary of the Company. Full Wave will be the operational entity for the Group's hospitality service business at the Premises.

### **The Landlord**

City Sino Development Limited is a limited liability company incorporated under the laws of Hong Kong on 20 July 2011. The principal activity of the Landlord is property investments. The Landlord, its ultimate beneficial owners and its respective associates are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

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## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“City Sino”	City Sino Development Limited, a limited liability company incorporated under the laws of Hong Kong on 20 July 2011, which is an Independent Third Party and the landlord of the Premises under the New Lease
“Company”	Century Legend (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company
“Full Wave”	Full Wave Development Limited, a limited liability company incorporated under the laws of Hong Kong on 21 February 2020, and an indirect non wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “Leases” which includes standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person or company and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not connected persons of the Company and is third party independent of the Company and its connected persons in accordance with the Listing Rules

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“New Lease”	a formal lease agreement dated 29 April 2020 entered into between Full Wave as the tenant and City Sino as the landlord in relation to the lease of the Premises
“Premises”	2nd Floor to 13th Floor, No. 375 King’s Road, North Point, Hong Kong
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.20 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Century Legend (Holdings) Limited**  
**Chu Ming Tak Evans Tania**  
*Executive Director*

Hong Kong, 29 April 2020

*As at the date of this announcement, the Board comprises six Directors, of which three are executive Directors, namely, Mr. Tsang Chiu Mo Samuel, Ms. Tsang Chiu Yuen Sylvia and Ms. Chu Ming Tak Evans Tania and three are independent non-executive Directors, namely Mr. Hui Yan Kit, Mr. Lau Pui Wing and Ms. Ho Ting Mei.*