CENTURY LEGEND (HOLDINGS) LIMITED
世紀建業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The board of directors (the "Board") of Century Legend (Holdings) Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010 together with the comparative figures for the year ended 31 December 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	Notes	**2010** **HK$'000**	2009 *HK$'000*
Revenue and turnover	*3*	**27,136**	22,748
Cost of sales		**(9,023)**	(8,797)
Gross profit		**18,113**	13,951
Other income	*5*	**1,752**	2,991
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(58)**	1,669
Administrative expenses		**(27,284)**	(30,486)
Other expenses		**–**	(7)
Finance costs	*6*	**(1,707)**	(833)
Gain on disposals of available-for-sale financial assets		**19**	–
Change in fair value of investment properties		**51,991**	6,064
Profit/(Loss) before income tax	*7*	**42,826**	(6,651)
Income tax expense	*8*	**(8,258)**	(1,038)
Profit/(Loss) for the year		**34,568**	(7,689)
Other comprehensive income, including reclassification adjustments			
Release upon disposals of available-for-sale financial assets		**(33)**	–
Revaluation of available-for-sale financial assets		**(636)**	8,010

* *For identification purposes only*

	2010	2009
	HK$'000	*HK$'000*
Other comprehensive income for the year	**(669)**	8,010
Total comprehensive income for the year	**33,899**	321
Profit/(Loss) for the year attributable to:		
Owners of the Company	**33,862**	(7,689)
Non-controlling interests	**706**	–
	34,568	(7,689)
Total comprehensive income for the year attributable to:		
Owners of the Company	**33,193**	321
Non-controlling interests	**706**	–
	33,899	321
Earnings/(Loss) per share for profit/(loss) for the year attributable to the owners of the Company		
– Basic	**HK11.38 cents**	(HK2.58 cents)
– Diluted	**HK11.08 cents**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000 (Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**5,482**	6,234
Investment properties		**194,900**	198,700
Prepaid land lease payments		**6,313**	6,494
Available-for-sale financial assets		**21,399**	21,223
Loan receivables		**195**	229
		228,289	232,880
Current assets			
Inventories		**111**	99
Prepaid land lease payments		**180**	180
Financial assets at fair value through profit or loss		**5,170**	5,043
Trade and other receivables and prepayments	*11*	**11,526**	15,282
Loan receivables		**41,833**	30,594
Trust bank balances held on behalf of customers		**881**	917
Cash and cash equivalents		**89,064**	126,558
		148,765	178,673
Assets classified as held for sale		**77,330**	–
		226,095	178,673
Current liabilities			
Trade payables	*12*	**4,729**	8,469
Other payables and accruals		**17,088**	6,903
Obligations under finance leases		**106**	105
Bank borrowings (secured)		**82,935**	88,062
Provision for taxation		**2,203**	–
		107,061	103,539
Net current assets		**119,034**	75,134
Total assets less current liabilities		**347,323**	308,014

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Non-current liabilities		
Bank borrowings (secured)	**6,413**	6,952
Obligations under finance leases	**46**	152
Deferred tax liabilities	**7,093**	1,038
	13,552	8,142
Net assets	**333,771**	299,872
EQUITY		
Equity attributable to the owners of the Company		
Share capital	**59,534**	59,534
Reserves	**273,531**	240,338
	333,065	299,872
Non-controlling interests	**706**	–
Total equity	**333,771**	299,872

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collectively includes all applicable individual Hong Kong Financial Reporting Standard, Hong Kong Accounting Standard ("HKAS") and Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

The consolidated financial statements have been prepared on the historical cost convention except for investment properties and certain financial instruments which are stated at fair values.

2. ADOPTION OF NEW OR REVISED HKFRSs

(a) Adoption of new/revised HKFRSs - effective 1 January 2010

During the year, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting year and relevant to the Group. Except as explained below, the adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies.

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the financial statements as there has been no business combination transaction during the year.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact on the current year.

HKAS 17 (Amendments) – Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of such leases as operating leases continues to be appropriate.

HK Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Interpretation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HK Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1 January 2009, with consequential reclassification adjustments to comparatives for the year ended 31 December 2009. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

The effect of adoption of HK Interpretation 5 on the consolidated statement of financial position are as follows:

	At 31 December 2010 *HK$'000*	At 31 December 2009 *HK$'000*	At 1 January 2009 *HK$'000*
Increase/(Decrease) in			
Current liabilities			
Bank borrowings	**77,133**	82,357	–
Non-current liabilities			
Bank borrowings	**(77,133)**	(82,357)	–

The change in accounting policy described above does not have financial effects on the consolidated statement of financial position on 1 January 2009. Accordingly, additional statement of financial position is not presented.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 [2&3]
Amendments to HKAS 32	Classification of Rights Issues[1]
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[4]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[5]
HKFRS 9	Financial Instruments[6]

[1] *Effective for annual periods beginning on or after 1 February 2010*

[2] *Effective for annual periods beginning on or after 1 July 2010*

[3] *Effective for annual periods beginning on or after 1 January 2011*

[4] *Effective for annual periods beginning on or after 1 July 2011*

[5] *Effective for annual periods beginning on or after 1 January 2012*

[6] *Effective for annual periods beginning on or after 1 January 2013*

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs upon initial application but are not yet in a position to state whether they would have material financial impact on the Group's results and financial position.

3. REVENUE AND TURNOVER

Revenue, which is also the Group's turnover, derived from the Group's principal activities recognised during the year is as follows:

	2010	2009
	HK$'000	*HK$'000*
Sale of hotel voucher and ferry ticket	**22**	15
Health and beauty services	**15,225**	16,080
Interest income from money lending business	**1,639**	852
Brokerage and commission income	**2,293**	2,947
Gross rental income from investment properties	**7,957**	2,854
	27,136	22,748

4. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors are determined following the Group's major product and service lines. The Group is currently organized into the following five operating segments. In previous years, the internal information of the Group included information on trading of general merchandise ("Trading") as a separate component. This component has become inactive in the recent years and did not generate revenue during the year or in last financial year. Accordingly, it is no longer identified as an operating segment for the year. To be consistent with the current year's presentation, information about Trading for the year ended 31 December 2009 has been reclassified as corporate and allocated expenses/assets/liabilities.

Travel related business	–	Provision of travel agency services in Hong Kong
Health and beauty services	–	Provision of health and beauty services in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong
Stock broking	–	Provision of stock brokering services in Hong Kong
Property investments	–	Investing in commercial properties for its rental income potential and for capital appreciation in both Macau and Hong Kong

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Segment revenue		Segment profit/(loss)	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)
Travel related business	**22**	15	**(3,673)**	(4,344)
Health and beauty services	**15,225**	16,080	**1,992**	1,588
Money lending	**1,639**	852	**1,431**	630
Stock broking	**2,293**	2,947	**223**	1,321
Property investments	**7,957**	2,854	**49,717**	4,957
	27,136	22,748	**49,690**	4,152
Unallocated other income			**1,090**	2,034
Fair value (loss)/gain on financial assets at fair value through profit or loss			**(58)**	1,669
Employee share option benefit cost			**–**	(4,284)
Corporate and unallocated expenses			**(7,896)**	(10,222)
Profit/(Loss) before income tax			**42,826**	(6,651)

Revenue reported above represented revenue generated from external customers.

Segment profit/(loss) represents the profit/(loss) earned/incurred by each segment without allocation of central administration costs. Segment results exclude interest income, dividend income and fair value gain/loss on financial instruments which arise from assets which are managed on a group basis. Segment results also include employee share option benefit cost and corporate expenses. This is the measure reported to the executive directors for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	2010 *HK$'000*	2009 *HK$'000* (Restated)
Segment assets		
Travel related business	**236**	2,885
Health and beauty services	**2,248**	2,698
Money lending	**42,354**	31,209
Stock broking	**15,706**	19,131
Property investments	**294,960**	222,840
Total segment assets	**355,504**	278,763
Available-for-sale financial assets	**21,399**	21,223
Financial assets at fair value through profit or loss	**5,170**	5,043
Corporate and unallocated assets	**72,311**	106,524
Consolidated total assets	**454,384**	411,553
Segment liabilities		
Travel related business	**(28)**	(403)
Health and beauty services	**(1,244)**	(1,802)
Money lending	**(82)**	(76)
Stock broking	**(4,978)**	(8,620)
Property investments	**(103,661)**	(98,033)
Total segment liabilities	**(109,993)**	(108,934)
Provision for taxation	**(2,203)**	–
Deferred tax liabilities	**(7,093)**	(1,038)
Corporate and unallocated liabilities	**(1,324)**	(1,709)
Consolidated total liabilities	**(120,613)**	(111,681)

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to reportable segments other than available-for-sale financial assets, financial assets at fair value through profit or loss and corporate assets; and

– all liabilities are allocated to reportable segments other than provision for taxation, deferred tax liabilities and corporate liabilities.

Other segment information

	Change in fair value of investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Travel related business	**–**	–	**–**	(9)	**–**	11	**(323)**	(342)
Health and beauty services	**–**	–	**–**	–	**363**	43	**(306)**	(504)
Money lending	**–**	–	**–**	–	**–**	–	**–**	–
Stock broking	**–**	–	**–**	–	**21**	13	**(16)**	(20)
Property investments	**51,991**	6,064	**(1,690)**	(799)	**21,604**	159,242	**(557)**	(452)
	51,991	6,064	**(1,690)**	(808)	**21,988**	159,309	**(1,202)**	(1,318)
Unallocated	**–**	–	**(17)**	(25)	**7**	35	**(187)**	(502)
Total	**51,991**	6,064	**(1,707)**	(833)	**21,995**	159,344	**(1,389)**	(1,820)

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets) is based on the physical location of the assets. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

The following is an analysis of the carrying amount of the specified non-current assets and revenue from external customers, analysed by the geographical location.

	Specified non-current assets		**Revenue from external customers**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (domicile)	**156,625**	163,197	**25,623**	21,212
Macau	**50,070**	48,231	**1,513**	1,536
	206,695	211,428	**27,136**	22,748

5. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Bank interest income	**486**	1,332
Dividend income from listed investments	**642**	480
Operating lease rental income	**–**	282
Sundry income	**624**	551
Reversal of impairment loss on trade receivables	**–**	346
	1,752	2,991

6. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest charges on finance leases	**17**	34
Interest charges on bank loans not wholly repayable within five years	**1,690**	799
	1,707	833

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements. For the year ended 31 December 2010, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$1,437,000 (2009: HK$530,000).

7. PROFIT/(LOSS) BEFORE INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
Profit/(Loss) before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	**181**	184
Auditors' remuneration	**569**	664
Depreciation of property, plant and equipment	**1,208**	1,636
Employee benefit expenses	**17,611**	19,429
Rentals received/receivable from investment properties less direct outgoings of HK$277,000 (2009: HK$610,000)	**(7,680)**	(2,244)
Loss on disposal of property, plant and equipment*	**–**	7
Operating lease charges in respect of:		
– Buildings	**3,213**	3,575
– Motor vehicles	**545**	511

* *included in other expenses*

8. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
The tax charge comprises:		
– Current tax – Hong Kong profits tax	**2,203**	–
– Deferred tax	**6,055**	1,038
	8,258	1,038

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year. Tax on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

For the year ended 31 December 2009, no Hong Kong profits tax was provided in the financial statements as the relevant group entities either did not derive any assessable profit in Hong Kong or had unused tax losses brought forward to offset against last year's assessable profits in Hong Kong.

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rate is as follows:

	2010	2009
	HK$'000	*HK$'000*
Profit/(Loss) before income tax	**42,826**	(6,651)
Tax at the statutory rate of 16.5% (2009: 16.5%) in Hong Kong	**7,066**	(1,097)
Tax effect of non-deductible expenses	**2,154**	2,052
Tax effect of non-taxable revenue	**(801)**	(938)
Tax effect of prior year's unrecognised tax losses utilised this year	**(1,054)**	(481)
Tax losses not recognised as deferred tax assets	**702**	1,390
Other temporary differences not recognised	**191**	112
Income tax expense	**8,258**	1,038

9. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2010 (2009: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit attributable to the owners of the Company of HK$33,862,000 (2009: loss of HK$7,689,000) and the weighted average number of 297,670,000 (2009: 297,670,000) ordinary shares in issue during the year.

For the year ended 31 December 2010, the calculation of diluted earnings per share is based on the profit attributable to the owners of the Company of HK$33,862,000 and the weighted average of 305,570,000 ordinary shares outstanding during the year, after adjusting for the effects of all dilutive potential ordinary shares. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is calculated based on the weighted average of 297,670,000 ordinary shares in issue during the year plus the weighted average of 7,900,000 ordinary shares deemed to be issued at no consideration as if all the Company's outstanding share options had been exercised.

For the year ended 31 December 2009, diluted loss per share was not presented because the Company's share options outstanding during the year ended 31 December 2009 had an anti-dilutive effect on the basic loss per share presented.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Group	
	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**9,313**	12,606
Less: Provision for impairment	**(373)**	(373)
Net carrying amount of trade receivables	**8,940**	12,233
Other receivables and deposits	**2,586**	3,049
	11,526	15,282

The Group's trade receivables at the reporting date mainly represent the receivable balances in respect of the Group's stock broking business. The Group allows a credit period up to the settlement dates of their respective transactions (normally two business days after the respective trade dates) except for margin client receivables which are repayable on demand.

The ageing analysis (based on invoice date) of the trade receivables, net of provision for impairment, as at the reporting date is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Repayable on demand – margin receivables*	**1,411**	2,589
0-30 days	**6,359**	7,582
31-60 days	**242**	1,036
61-90 days	**143**	75
Over 90 days	**785**	951
	8,940	12,233

* *The Group holds certain listed equity securities of clients as collateral over these trade receivables.*

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied the recovery of the amount is remote, in which case the impairment loss is written off against the trade receivables directly. The movement in the provision for impairment of trade receivables is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Balance at 1 January	**373**	719
Reversal of impairment losses	**–**	(346)
Balance at 31 December	**373**	373

At each reporting date, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$373,000 (2009: HK$373,000) with a gross carrying amount of HK$598,000 (2009: HK$997,000). The individually impaired trade receivables relate to customers that were in default or delinquency in payments.

The ageing analysis (based on due date) of the trade receivables that are past due but are not considered to be impaired is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
0-30 days past due	**7,545**	9,547
31-60 days past due	**242**	1,036
61-90 days past due	**143**	75
Over 90 days past due	**785**	951
	8,715	11,609

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

12. TRADE PAYABLES

At the reporting date, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
0-30 days	**4,693**	8,420
31-60 days	**36**	49
	4,729	8,469

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

General Performance

During the year under review, the Group delivered a net profit of approximately HK$34,568,000, representing an increase of approximately hundredfold over last year. The Group's turnover increased by approximately 19.29% from 2009 to approximately HK$27,136,000 in 2010 while the gross profit was increased 29.83% from HK$13,951,000 to HK$18,113,000. This is mainly attributable to the increase in rental income from investment properties and interest income from money lending business.

The profit this year was mainly attributed to the gain from revaluation of investment properties of approximately HK$51,991,000.

Reduction in cash level after acquisition of properties along with continuous low bank interest rate leads to decrease in bank interest income as a result of which other income plummeted by 41.42% to HK$1,752,000. Administrative expenses dropped 10.5% to HK$27,284,000 this year.

As at 31 December 2010, the Group's net asset value was approximately HK$333,771,000 and net asset value per share was approximately HK$1.12. The Group's total assets and liabilities were HK$454,384,000 million and HK$120,613,000 respectively.

Property Investment Business

Year 2010 witnessed a gradual recovery of global economy, while the economies of Macau and Hong Kong were also back in the saddle. Under such economic circumstances, the Group persistently strengthened its internal management to further explore investment opportunities of quality assets in commercial and residential property market to maintain sustainable growth.

The Group's existing portfolio in Macau comprises of an office premise and a retail shop located at Avenida de Lopo Sarmento de Carvalho, which were acquired to provide stable and promising income to the Group. HK$1,513,000 of rental income was recorded in 2010.

In the second half of last year, the Group had participated actively in the acquisition of residential properties in Hong Kong. During the two months of July and August 2010, the Group successfully purchased 3 residential units in Taikoo Shing, Hong Kong, for a consideration of HK$ 20,440,000 in aggregate. Taikoo Shing has been recognized as one of the blue chip estates whose prices are well supported by strong demand. The Group intends to hold the properties for investment and rental purposes, and believes that the acquisition would generate stable rental income, thus providing capital appreciation potentials.

In November, the Group sold two properties, which are located at Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong, for a total cash consideration of HK$70,000,000. The two office units cover a total gross floor area of approximately 3,882 sq. ft. Overall investment sentiment in the Hong Kong property market is positive when demand for quality offices is keen, therefore, the Group is of the view that the disposal represents an appealing opportunity to realize its investment in the properties and thereby generates cash for the Group for future use.

By the end of 2010, the fair value of investment properties increased by approximately HK$51,991,000, as compared with that of HK$6,604,000 last year manifesting tremendous growth in tandem with the upbeat economic development.

Health and Beauty Business

In 2010, the Group further explored cost potentials while adjusting its product and marketing strategies in health and beauty business in line with specific conditions in respective local markets. Consequently, the health and beauty segment remains to be a stable and healthy contributor of returns to the Group. For the year under review, turnover of this segment amounted to HK$15,225,000, representing an decrease of 5.32% as compared with the corresponding period last year. The profit increased by 25.44 % to approximately HK$1,992,000 from HK$1,588,000 for the same period last year.

Other Business Segments

By the end of the year 2010, the Group decided to discontinue the gaming and leisure related business after searching in vain for suitable investment opportunities since the disposal of Holiday Inn Macau and Macau Diamond Casino in 2008. The Group will relocate the resources to the other business segments with growth opportunity. Meanwhile, the travel agency business will be maintained to provide hotel and ticketing services mainly for internal consumption. In the year under review, the turnover of hotel and ticketing services was minimal amounted to HK$22,000.

The turnover from stock brokerage business segment in 2010 decreased by 22.19% to HK$2,293,000 as compared with last year. Segment profit was approximately HK$223,000, representing an decrease of 83.12% as compared with HK$1,321,000 last year.

Money lending activities performed solidly during 2010. It recorded a turnover of HK$1,639,000, representing a further increase of 92.37% over the previous year. Segment profit was HK$1,431,000 as compared with HK$630,000 last year.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2010, the Group had a cash and bank balance of HK$89,064,000 and net current assets of HK$119,034,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2010 was approximately 2.11 (31 December 2009: 1.73 (based on restated financial statement)). The Group maintained a healthy working capital position during 2010.

The sales and purchase of the Group are mainly denominated in Hong Kong Dollars. The Directors consider that the Group’s exposure to fluctuations in exchange rates was minimal.

During the year, the Group's investment properties and other properties were pledged to two banks to secure the bank borrowing of approximately HK$89,348,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 31 December 2010 (31 December 2009: Nil). The Group had no significant capital commitments as at 31 December 2010 (31 December 2009: Nil).

II. Capital Structure of the Group

As at 31 December 2010, the Group had total equity of HK$333,771,000, HK$152,000 of fixed rate liability, HK$89,348,000 of floating rate liability and HK$31,113,000 of interest-free liabilities, representing 0.05%, 26.77% and 9.32% of the Group's total equity, respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 31 December 2010 was approximately 1.94% (31 December 2009: 2.37% (based on the restated financial statements)).

III. Employment Information

As at 31 December 2010, the Group employed approximately a total of 51 employees (2009: 47). The Group's emoluments policies are formulated on the performance of individual employee and are competitive in the market. During the year ended 31 December 2010, the total staff costs (excluding Directors' emoluments) amounted to approximately HK$9,185,000 (2009: HK$11,722,000).

IV. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: Nil).

OUTLOOK AND PROSPECTS

Today the worst of the global financial crisis seems to be behind us. The year 2011 marks the beginning of Mainland China's 12th Five-Year Plan which not only outlines the country's economic development strategies in the next five years but also has close impact on the growth and development positioning of both Hong Kong and Macau.

Driven by the strength of Mainland China's economy, the improving economic fundamentals as well as sustained low interest environment in the local economy, the property market has been in the limelight with substantial growth in property prices over the year. The second round of the 600 billion US dollars quantitive easing program launched by the United States has sparked a fresh round of asset appreciation in the emerging markets including Hong Kong and Mainland China. In this regard, the Hong Kong Government has introduced various measures to cool down the real estate market and to control speculative residential property trading while the PRC government has imposed different measures to tighten credit. Both the governments are staying alert to the risk of asset bubble and will, if need be, intervene to stablize property prices. Recently the tragic turmoil of the earthquake along with the tsunami and the nuclear crisis in Japan as well as the political unrest in the Middle East region will pose new threats and challenges to the global economy. Looking forward, undoubtedly both the property and the financial markets will be subject to a level of uncertainty and volatility.

Having unforeseeable circumstances in the remaining financial year, nonetheless the Group is optimistic on the outlook of the property market in both Hong Kong and Macau. We will be progressive yet cautious in making investment decisions and target at those premium investment properties commanding high liquidity and popularity in rental which would have rendered stronger resilience to the asset bubble. On the other hand, we will put more emphasis in developing our financial related business including but not limited to brokerage, financial investment, money transfer as well as money remittances. To further develop the stock brokerage business, we will contemplate rolling out new services for trading and clearing Renminbi products upon its launch in the capital market and geographically expanding our brokerage operations outside the Hong Kong territory. The Group is geared up to capture the coming opportunities as we believe that in the long run, Hong Kong is strengthening its position as a international business and finance service centre in the Greater China region and is playing a key role as gateway to opening up of Mainland China's capital market.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximizing shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

Throughout the year of 2010, the Company has complied with all Code Provisions in the Code of Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited except for certain areas of non-compliance that are discussed below.

The CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same person. Mr. Tsang Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. Tsang Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the Shareholders as a whole for Mr. Tsang Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the audited consolidated results of the Group for the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

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

Hong Kong, 30 March 2011

As at the date hereof, the board of directors of the Company comprises of eight directors, of which five are executive directors, namely Mr. Tsang Chiu Mo Samuel (Executive Chairman), Mr. Tsang Chiu Ching (Deputy Chairman), Ms. Tsang Chiu Yuen Sylvia, Ms. Chu Ming Tak Evans Tania, and Mr. Wu Binquan; and three are independent non-executive directors, namely Mr. Hui Yan Kit, Mr. Wong Tak Ming Gary and Mr. Au Chi Wai Edward.