

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00079)**

**FINAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 2014 together with the comparative figures for the year ended 31 December 2013 as follows:

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*for the year ended 31 December 2014*

	<i>Notes</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>32,115</b>	30,721
Cost of sales		<b>(9,310)</b>	(8,500)
<b>Gross profit</b>		<b>22,805</b>	22,221
Other income	4	<b>7,509</b>	3,862
Fair value gain on financial assets at fair value through profit or loss		<b>834</b>	166
Fair value gain on investment properties		<b>30,200</b>	23,500
Gain on disposal of available-for-sale financial assets		–	141
Administrative expenses		<b>(41,120)</b>	(29,988)
Finance costs	6	<b>(4,867)</b>	(2,292)
<b>Profit before income tax</b>	7	<b>15,361</b>	17,610
Income tax expense	8	<b>(252)</b>	(672)
<b>Profit for the year</b>		<b>15,109</b>	16,938

\* *For identification purposes only*

	<i>Notes</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Revaluation of available-for-sale financial assets		350	197
Release upon disposal of available-for-sale financial assets		–	(58)
		<u>350</u>	<u>139</u>
<b>Other comprehensive income for the year</b>		<u>350</u>	<u>139</u>
<b>Total comprehensive income for the year</b>		<u>15,459</u>	<u>17,077</u>
<b>Profit for the year attributable to:</b>			
Owners of the Company		14,489	16,398
Non-controlling interests		620	540
		<u>15,109</u>	<u>16,938</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		14,839	16,537
Non-controlling interests		620	540
		<u>15,459</u>	<u>17,077</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings per share</b>			
	<i>10</i>		
– Basic		4.77	5.50
– Diluted		<u>4.68</u>	<u>5.45</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	<i>Notes</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,367	4,166
Investment properties		309,900	279,700
Prepaid land lease payments		3,823	3,946
Available-for-sale financial assets		20,924	20,540
Loan receivables		29,800	590
		<u>367,814</u>	<u>308,942</u>
<b>Current assets</b>			
Inventories		53	73
Prepaid land lease payments		123	123
Financial assets at fair value through profit or loss		5,693	5,013
Trade and other receivables and prepayments	<i>11</i>	14,358	13,694
Loan receivables		2,389	44,197
Trust bank balances held on behalf of customers		6,086	2,402
Pledged bank deposits		121,212	121,131
Cash and bank balances		157,262	126,825
		<u>307,176</u>	<u>313,458</u>
<b>Current liabilities</b>			
Trade payables	<i>12</i>	8,986	3,781
Other payables and accruals		14,026	11,252
Obligations under finance leases		121	121
Bank borrowings (secured)		249,481	222,365
		<u>272,614</u>	<u>237,519</u>
<b>Net current assets</b>		<u>34,562</u>	<u>75,939</u>
<b>Total assets less current liabilities</b>		<u>402,376</u>	<u>384,881</u>

	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Obligations under finance leases	<b>90</b>	211
Deferred tax liabilities	<b>3,001</b>	2,749
	<u><b>3,091</b></u>	<u>2,960</u>
<b>Net assets</b>	<u><b>399,285</b></u>	<u>381,921</u>
<b>EQUITY</b>		
Share capital	<b>61,328</b>	60,722
Reserves	<b>334,833</b>	318,695
	<u><b>396,161</b></u>	<u>379,417</u>
Equity attributable to the owners of the Company	<b>396,161</b>	379,417
Non-controlling interests	<b>3,124</b>	2,504
	<u><b>399,285</b></u>	<u>381,921</u>
<b>Total equity</b>	<u><b>399,285</b></u>	<u>381,921</u>

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 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 basis except for investment properties and certain financial instruments which are stated at fair value.

## 2. ADOPTION OF NEW OR REVISED HKFRSs

### (a) New or revised HKFRSs – effective 1 January 2014

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2014:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures

Except as explained below, the adoption of new or revised HKFRSs has no material impact on the Group’s financial statements.

#### *Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities*

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangements.

#### *Amendments to HKAS 36 – Recoverable Amount Disclosures*

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are applied retrospectively.

The adoption of HKAS 36 does not have any material impact on the Group’s financial position or performance.

**(b) New or revised HKFRSs that have been issued but not yet effective**

The following new or 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.

Amendments to HKAS 1	Presentation of Financial Statements <sup>3</sup>
Amendments to HKAS 27	Equity method in Separate Financial Statements <sup>3</sup>
HKFRS 9 (2014)	Financial Instruments <sup>5</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>4</sup>
HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle <sup>2</sup>
HKFRSs (Amendments)	Annual Improvements 2011–2013 Cycle <sup>1</sup>
HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>2</sup> Effective for annual periods beginning, or transactions on or after 1 July 2014

<sup>3</sup> Effective for annual periods beginning, on or after 1 January 2016

<sup>4</sup> Effective for annual periods beginning, on or after 1 January 2017

<sup>5</sup> Effective for annual periods beginning, on or after 1 January 2018

*Amendments to HKAS 1 – Presentation of Financial Statements*

The amendments to HKAS 1 are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements. In addition, an amendment is made to HKAS 1 to clarify the presentation of an entity's share of other comprehensive income (OCI) from its equity accounted interests in associates and joint ventures. The amendment requires an entity's share of OCI to be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

*Amendments to HKAS 27 – Equity Method in Separate Financial Statements*

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

*HKFRS 9 (2014) – Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the 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.

#### *HKFRS 15 – Revenue from Contracts with Customers*

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these new or revised HKFRSs. The directors of the Company do not anticipate that these new or revised HKFRSs will have any material impact on the Group's financial statements.

#### **(c) New Companies Ordinance provisions relating to the preparation of financial statements**

The provisions of the new Companies Ordinance, Cap. 622, in relation to the preparation of financial statements will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 December 2015).

The directors consider that there will be no impact on the Group's financial position or performance, however the new Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements.

### 3. REVENUE

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

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hair Styling	<b>16,319</b>	14,718
Brokerage and commission income	<b>2,647</b>	2,715
Interest income from money lending and stock broking	<b>2,231</b>	2,638
Gross rental income from investment properties	<b>10,918</b>	10,650
	<b>32,115</b>	30,721

### 4. OTHER INCOME

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Bank interest income	<b>6,376</b>	2,889
Dividend income from listed investments	<b>1,040</b>	932
Sundry income	<b>93</b>	41
	<b>7,509</b>	3,862

### 5. 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, the chief operating decision-makers, are determined following the Group's major product and service lines. The Group is currently organised into the following four operating segments.

- Hair Styling\* – Provision of hair styling and related services in Hong Kong
- Money lending – Provision of commercial and personal loans in Hong Kong
- Stock broking – Provision of stock broking services in Hong Kong
- Property investments – Investing in commercial and residential properties for its rental income potential and for capital appreciation in both Macau and Hong Kong

\* Renamed from "Health and beauty services" to "Hair Styling"



## Segment revenue and results

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

	Segment revenue		Segment profit	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hair Styling	<b>16,319</b>	14,718	<b>1,537</b>	1,421
Money lending	<b>1,728</b>	1,865	<b>1,213</b>	1,416
Stock broking	<b>3,150</b>	3,488	<b>247</b>	615
Property investments	<b>10,918</b>	10,650	<b>21,604</b>	18,595
	<b><u>32,115</u></b>	<u>30,721</u>	<b>24,601</b>	22,047
Unallocated other income			<b>3,554</b>	2,060
Exchange (loss)/gains, net			<b>(5,119)</b>	2,481
Fair value gain on financial instruments			<b>834</b>	307
Corporate staff costs			<b>(4,366)</b>	(3,765)
Other corporate and unallocated expenses			<b>(4,143)</b>	(5,520)
Profit before income tax			<b><u>15,361</u></b>	<u>17,610</u>

Revenue reported above represented revenue generated from external customers.

Segment profit represents the profit earned by each segment without allocation of central administration costs. Segment results exclude certain interest income, dividend income, exchange losses/gains and fair value gain on financial instruments which arise from assets which are managed on a group basis. Segment results also exclude corporate staff costs 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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Segment assets</b>		
Hair Styling	3,160	2,327
Money lending	32,971	45,097
Stock broking	27,452	23,980
Property investments	<u>322,406</u>	<u>296,562</u>
Total segment assets	<b>385,989</b>	367,966
Available-for-sale financial assets	20,924	20,540
Financial assets at fair value through profit or loss	5,693	5,013
Pledged bank deposits	121,212	121,131
Short-term bank deposits	133,991	49,435
Other corporate and unallocated assets	<u>7,181</u>	<u>58,315</u>
Consolidated total assets	<b><u>674,990</u></b>	<b><u>622,400</u></b>
<b>Segment liabilities</b>		
Hair Styling	1,461	1,258
Money lending	82	88
Stock broking	9,279	3,942
Property investments	<u>62,426</u>	<u>62,475</u>
Total segment liabilities	<b>73,248</b>	67,763
Deferred tax liabilities	3,001	2,749
Bank borrowings	198,000	169,000
Other corporate and unallocated liabilities	<u>1,456</u>	<u>967</u>
Consolidated total liabilities	<b><u>275,705</u></b>	<b><u>240,479</u></b>

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

- all assets are allocated to reportable segments other than corporate assets and available-for-sale financial assets, financial assets at fair value through profit or loss, certain short-term bank deposits and pledged bank deposits which are managed on group basis; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and certain bank borrowings which are managed on group basis, and corporate liabilities.

## Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hair Styling	-	-	-	-	-	-	5	289	127	130
Money lending	1,728	1,865	-	-	-	-	-	-	-	-
Stock broking	503	773	-	-	-	-	38	49	41	54
Property investments	3,872	272	30,200	23,500	1,278	1,249	16	12	530	670
	6,103	2,910	30,200	23,500	1,278	1,249	59	350	698	854
Unallocated	2,504	2,617	-	-	3,589	1,043	117	1,132	399	347
Total	8,607	5,527	30,200	23,500	4,867	2,292	176	1,482	1,097	1,201

## 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	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (domicile)	255,581	228,137	29,705	28,237
Macau	61,509	59,675	2,410	2,484
	317,090	287,812	32,115	30,721

## Information about a major customer

Revenues from one customer of the Group's property investments segment amounted to HK\$6,900,000 (2013: HK\$6,900,000) which represented 21.5% (2013: 22.5%) of the Group's revenue.

## 6. FINANCE COSTS

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Interest charges on finance leases	<b>15</b>	15
Interest charges on bank loans wholly repayable within five years	<b>3,880</b>	–
Interest charges on bank loans not wholly repayable within five years	<b>972</b>	2,277
	<b><u>4,867</u></b>	<u>2,292</u>

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the scheduled repayment dates set out in the loan agreements. For the year ended 31 December 2014, the interest on bank borrowings which contain a repayment on demand clause amounted to HK\$4,825,000 (2013: HK\$2,081,000).

## 7. PROFIT BEFORE INCOME TAX

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	<b>123</b>	121
Auditors' remuneration	<b>617</b>	615
Depreciation of property, plant and equipment	<b>974</b>	1,080
Employee benefit expenses	<b>25,053</b>	22,068
Loss on disposal of property, plant and equipment	<b>1</b>	16
Provision for impairment on loan receivables	<b>6</b>	–
Rentals received/receivable from investment properties less direct outgoings of HK\$650,000 (2013: HK\$446,000)	<b>(10,268)</b>	(10,204)
Operating lease charges in respect of:		
– Buildings	<b>3,414</b>	3,391
– Motor vehicles	<b>606</b>	606
Exchange loss/(gains), net	<b><u>5,119</u></b>	<u>(2,481)</u>

## 8. INCOME TAX EXPENSE

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
The tax charge comprises:		
Current tax – Hong Kong profits tax	–	–
Deferred tax	<u>252</u>	<u>672</u>
	<u><b>252</b></u>	<u><b>672</b></u>

For the years ended 31 December 2014 and 31 December 2013, 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 the current year's assessable profits in Hong Kong.

Pursuant to the tax rules and regulations of Macau, the subsidiaries in Macau are liable to Macau Profits Tax at the rate of 12% (2013: 12%).

Reconciliation between income tax expense and accounting profit at applicable tax rate is as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit before income tax	<u><b>15,361</b></u>	<u>17,610</u>
Tax at the statutory rate of 16.5% (2013: 16.5%) in Hong Kong	<b>2,535</b>	2,906
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(94)</b>	(252)
Tax effect of non-deductible expenses	<b>3,016</b>	2,222
Tax effect of non-taxable revenue	<b>(6,178)</b>	(3,923)
Tax effect of prior year's unrecognised tax losses utilised this year	<b>(589)</b>	(561)
Tax losses not recognised as deferred tax assets	<b>1,844</b>	564
Others	<u><b>(282)</b></u>	<u>(284)</u>
Income tax expense	<u><b>252</b></u>	<u><b>672</b></u>

## 9. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2014 (2013: Nil).

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company of HK\$14,489,000 (2013: HK\$16,398,000) and the weighted average number of 303,626,000 (2013: 297,897,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit attributable to the owners of the Company of HK\$14,489,000 (2013: HK\$16,398,000) and the weighted average of 309,896,000 (2013: 300,974,000) 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 303,626,000 (2013: 297,897,000) ordinary shares in issue during the year plus the weighted average of 6,270,000 (2013: 3,077,000) ordinary shares deemed to be issued at no consideration as if all the Company's outstanding share options had been exercised.

## 11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade receivables	<b>10,208</b>	9,753
Less: Provision for impairment	<u>(281)</u>	<u>(281)</u>
Trade receivables, net	<b>9,927</b>	9,472
Other receivables and deposits	<u>4,431</u>	<u>4,222</u>
	<b><u>14,358</u></b>	<u>13,694</u>

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:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Repayable on demand – margin receivables*	<b>7,254</b>	3,885
0–30 days	<b>2,446</b>	4,914
31–60 days	<b>42</b>	220
61–90 days	–	129
Over 90 days	<b>185</b>	324
	<b><u>9,927</u></b>	<u>9,472</u>

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

## 12. TRADE PAYABLES

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

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Repayable on demand – Trust bank balances for funds placed by customers	<b>5,919</b>	2,235
0–30 days	<b>3,026</b>	1,481
31–60 days	<b>41</b>	65
	<b><u>8,986</u></b>	<u>3,781</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operation Review

#### General Performance

Despite the uncertainties arising from, inter alia, the possible interest rate hike, geopolitical tension in the Middle East and Ukraine and risk of epidemic spread from West Africa, global economy in 2014 was on a delicate recovery path with US leading the way through improving economic and employment conditions. However as US tapered off its Quantitative Easing monetary policy, it led to expectations of interest rate hike in the US and thus caused market volatility during the year. Hong Kong's economy was very much in line with the external economic environment and yet the weakening purchasing power of the Mainlanders and the ongoing anti-gifting measures in Mainland China had adversely affected the retail sales and rental markets in Hong Kong.

During the year under review, the Group delivered a net profit of approximately HK\$15,109,000, representing a decrease of approximately 10.8% over last year's profit of \$16,938,000. The decrease in profit was mainly attributable to the unrealized exchange loss on RMB bank deposit and rising staff cost. Fair value gain on investment properties of approximately HK\$30,200,000 like the previous year remained the major contributor to the Group's net profit for the year.

The Group's revenue increased approximately 4.5% from 2013 to approximately HK\$32,115,000 in 2014 while the gross profit was increased 2.6% to HK\$22,805,000. Other income increased by 94.4% to HK\$7,509,000 resulting from additional high yield RMB bank deposits interest income and increased dividend income from securities investment. The administrative expenses increased 37% to \$41,120,000 mainly due to the unrealized exchange loss of \$5,119,000 incurred during the year verses an exchange gain of \$2,481,000 derived on RMB bank deposit the year before.

As at 31 December 2014, the Group's net asset value was approximately HK\$399,285,000 and net asset value per share was approximately HK\$1.30. The Group's total assets and total liabilities were approximately HK\$674,990,000 and HK\$275,705,000 respectively.



## **Property Investment Business**

Although the property investment market witnessed a 18% increase in investment volume in 2014, the Group made no acquisition or disposal. Asset values increased moderately across all property sectors owing to the improved market sentiment and supply constraints still facing the wider market. Fair value of our investment properties increased by HK\$30,200,000 during the year being 29% more than the previous year. Return from leasing the investment properties is about 6.2% comparing the gross rental income and cost of investments.

The Group is optimistic about the prospects for the Macau economy as a number of existing mega infrastructure investment projects and tourism related development projects will continue to support the economy at a sustainable pace in the coming few years. Property prices still stand firm with upside trend. HK\$2,410,000 rental income was generated for the year from the Group's property portfolio with an average yield of about 5.7%. Towards end of the year, the Group's retail shop was leased out to a new tenant at a substantial rental increment income stream of which would be reflected in 2015.

In Hong Kong, the Group's investment properties comprise an en-bloc boutique hotel situated in Sheung Wan and some residential units in Taikoo Shing. Rental income of approximately HK\$8,508,000 was received in 2014 with investment yield being approximately 6.3%. During the year under review, there was growth in the recurring income through positive rental reversion from new tenancy of ground floor retail shop situated in Sheung Wan boutique hotel and high occupancy in the Taikoo Shing residential properties.

## **Hair Styling Business**

In 2014, the hair styling segment continued to be a stable and healthy contributor of returns to the Group. For the year under review, turnover of this segment amounted to HK\$16,319,000 representing an increase of 10.9% as compared with 2013 while segment profit increased by 8.2% from HK\$1,421,000 to approximately HK\$1,537,000. Increase in segment profit was mainly attributable to the increased revenue derived from newly recruits while strenuous effort was made to keep the fixed overheads down.

## **Other Business Segments**

Turnover from the stock brokerage business segment decreased by 9.7% to HK\$3,150,000 compared with the previous year as the securities market was still volatile during the year under review. Segment profit decreased 59.8% to HK\$247,000 in 2014 when revenue dropped approximately HK\$338,000 and administrative cost rose approximately HK\$59,000.

Money lending activities continued to generate positive results with turnover recorded a decrease of 7.3% to HK\$1,728,000 over the previous year. Segment profit decreased 14.3% from HK\$1,416,000 in 2013 to HK\$1,213,000 mainly on account of lesser interest income as old loans matured and staff cost increment. It is expected that this segment business will remain stable in the coming year and the management will as always take a more cautious approach in the lending policy.

## **FINANCIAL REVIEW**

### **I. Liquidity and Financial Resources**

As at 31 December 2014, the Group had a cash and bank balance including pledged bank deposits of HK\$278,474,000 and net current assets of HK\$34,562,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2014 was approximately 1.13 (31 December 2013: 1.32). The Group maintained a healthy working capital position during 2014.

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, prepaid land lease payments and certain bank deposits were pledged to two banks to secure the bank borrowing of approximately HK\$249,481,000, 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 2014 (31 December 2013: Nil). The Group had no significant capital commitments as at 31 December 2014 (31 December 2013: Nil).

### **II. Capital Structure of the Group**

As at 31 December 2014, the Group had total equity of HK\$399,285,000, HK\$211,000 of fixed rate liability, HK\$249,481,000 of floating rate liability and HK\$26,013,000 of interest-free liabilities, representing 0.05%, 62.48% and 6.51% 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 2014 was approximately 0.02% (31 December 2013: 0.06%).

### **III. Employment Information**

As at 31 December 2014, the Group employed approximately a total of 39 employees (2013: 39). 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 2014, total staff costs (excluding Directors' emoluments) amounted to approximately HK\$9,344,000 (2013: HK\$8,817,000).

### **IV. Final Dividend**

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

### **V. Prospects**

Looking into the year ahead, the global economy is expected to move forward at a moderate pace on the premises US economy will continue to strengthen even though other major economies including Mainland China will maintain a relatively slower pace of growth. Major uncertainties lying ahead would be the great volatility in the global financial markets arising from the changing expectation on possible interest rate hikes in US and competitive devaluation of currency by various economies. Nevertheless, the loose monetary policies adopted by major economies such as the Eurozone, Japan and Mainland China would cushion the risk of a global slowdown. As a global finance centre, Hong Kong is not immune from challenges faced by major economies around the world.

As the government recently imposed regulatory measures to tighten credit on property lending, it is expected the primary market property sales would slow down with little downward adjustment in property prices due to the sustained demand and shortage in short term supply coupled with low interest rate environment and yet investment expenditure would become soft and sentiment turn cautious. Moving forward, the Group will continue to explore new ventures cautiously, particularly in its core business of property investments in Hong Kong and Macau, to achieve medium and long term sustainable growth and create maximum value for shareholders. We believe the uncompromising attitude in pursuit of excellence of our experienced and committed management team will drive our continued growth in the years to come.

## **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 maximising 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 2014, 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 discussed with the management of the Company the accounting principles and practices adopted by the Group and matters relating to internal control and financial reporting of the Group and reviewed the audited consolidated results of the Group for the year ended 31 December 2014.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **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, 31 March 2015

*As at the date of this announcement, the Board comprises seven directors, of which four are executive directors, namely Mr. Tsang Chiu Mo Samuel, Mr. Tsang Chiu Ching, Ms. Tsang Chiu Yuen Sylvia and Ms. Chu Ming Tak Evans Tania; and three are independent non-executive directors, namely Mr. Wong Tak Ming Gary, Mr. Hui Yan Kit and Mr. Au Chi Wai Edward.*