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(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Re-presented)
<u>Continuing operations</u>			
Revenue	3	28,079	30,908
Cost of revenue		<u>(9,131)</u>	<u>(9,399)</u>
Gross profit		18,948	21,509
Other income	4	9,189	9,860
Fair value loss on financial assets at fair value through profit or loss		(2)	(530)
Fair value gain on investment properties		2,809	3,500
Administrative expenses		(51,972)	(47,661)
Finance costs	6	<u>(4,943)</u>	<u>(4,925)</u>
Loss before income tax	7	(25,971)	(18,247)
Income tax credit/(expense)	8	<u>738</u>	<u>(405)</u>
Loss for the year from continuing operations		(25,233)	(18,652)
<u>Discontinued operation</u>			
Profit for the year from discontinued operation	9	<u>5,970</u>	<u>209</u>
Loss for the year		<u>(19,263)</u>	<u>(18,443)</u>

* *For identification purposes only*

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Re-presented)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Revaluation of available-for-sale financial assets		<u>604</u>	<u>(2,939)</u>
Other comprehensive income for the year		<u>604</u>	<u>(2,939)</u>
Total comprehensive income for the year		<u>(18,659)</u>	<u>(21,382)</u>
(Loss)/Profit for the year attributable to:			
Owners of the Company			
– from continuing operations		(25,587)	(19,341)
– from discontinued operation		<u>5,970</u>	<u>209</u>
		(19,617)	(19,132)
Non-controlling interests		<u>354</u>	<u>689</u>
		<u>(19,263)</u>	<u>(18,443)</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		(19,013)	(22,071)
Non-controlling interests		<u>354</u>	<u>689</u>
		<u>(18,659)</u>	<u>(21,382)</u>
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted loss per share			
	<i>11</i>		
For continuing and discontinued operations		(6.33)	(6.23)
For continuing operations		<u>(8.26)</u>	<u>(6.30)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		3,571	3,169
Investment properties		319,200	313,400
Prepaid land lease payments		3,577	3,700
Available-for-sale financial assets		18,733	18,129
Loans receivable		9,200	36,987
		<hr/> 354,281	<hr/> 375,385
Current assets			
Inventories		51	53
Prepaid land lease payments		123	123
Financial assets at fair value through profit or loss		4,796	4,896
Trade and other receivables and prepayments	<i>12</i>	5,461	13,717
Loans receivable		27,706	1,943
Trust bank balances held on behalf of customers		–	11,318
Pledged bank deposits		115,330	118,736
Cash and bank balances		117,768	131,977
		<hr/> 271,235	<hr/> 282,763
Current liabilities			
Trade payables	<i>13</i>	84	14,025
Other payables and accruals		13,267	11,746
Obligations under finance leases		288	203
Bank borrowings (secured)		245,219	247,351
Tax payable		230	103
		<hr/> 259,088	<hr/> 273,428
Net current assets		<hr/> 12,147	<hr/> 9,335
Total assets less current liabilities		<hr/> 366,428	<hr/> 384,720

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current liabilities		
Obligations under finance leases	692	338
Deferred tax liabilities	2,438	3,303
	<u>3,130</u>	<u>3,641</u>
Net assets	<u>363,298</u>	<u>381,079</u>
EQUITY		
Share capital	61,941	61,941
Reserves	297,282	315,325
	<u>359,223</u>	<u>377,266</u>
Equity attributable to the owners of the Company	359,223	377,266
Non-controlling interests	4,075	3,813
	<u>363,298</u>	<u>381,079</u>
Total equity	<u>363,298</u>	<u>381,079</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 Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations 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 amounts 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 2016

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 2016:

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 27	Equity Method in Separate Financial Statements

Amendments to HKAS 1 Disclosure Initiative

The amendments are designed to encourage entities to use judgment in the application of HKAS 1 when considering the layout and content of their financial statements.

The adoption of these amendments has no significant impact on the Group’s financial statements.

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. The amendments are applied retrospectively in accordance with HKAS 8.

The adoption of the amendments has no impact on these financial statements as the Company has not elected to apply the equity method in its separate financial statements.

(b) New or revised HKFRSs that have been issued but are 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 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases ³

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

Amendments to HKAS 7 Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured at fair value.

Amendments to HKFRS 2 Classification and Measurement of Share-based Payments Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 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 fair value through other comprehensive income (“**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 fair value through profit or loss (“**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 HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 *Leases* and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the possible impact of the above new or revised standards on the Group's results and financial position in the first year of application. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies or financial statements. Other new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's financial statements upon application.

3. REVENUE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Rendering of hair styling services	17,239	17,797
Interest income from money lending	1,585	1,551
Gross rental income from investment properties	9,255	11,560
	28,079	30,908

4. OTHER INCOME

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Bank interest income	8,130	7,600
Dividend income from listed investments	924	1,054
Sundry income	135	1,206
	9,189	9,860

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

During the year, the Group disposed its wholly-owned subsidiary, Century Legend Securities Limited ("CL Securities"), which is principally engaged in the provision of stock broking services in Hong Kong and is included in the segment of stock broking. The segment of stock broking has been presented under the discontinued operation.

Continuing operations

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

Discontinued operation

- Stock broking – Provision of stock broking services in Hong Kong (note 9)

Segment revenue and results

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

	Segment revenue		Segment results	
	2016 HK\$'000	2015 HK\$'000 (Re-presented)	2016 HK\$'000	2015 HK\$'000 (Re-presented)
Continuing operations				
Hair styling	17,239	17,797	1,217	1,787
Money lending	1,585	1,551	1,235	39
Property investments	9,255	11,560	(8,927)	(4,705)
Discontinued operation				
Stock broking	378	3,157	5,970	209
	<u>28,457</u>	<u>34,065</u>	(505)	(2,670)
Unallocated income			4,687	5,260
Exchange losses, net			(14,832)	(10,673)
Fair value loss on financial instruments			(2)	(530)
Corporate staff costs			(5,072)	(4,822)
Other corporate expenses			(4,277)	(4,603)
Loss before income tax			<u>(20,001)</u>	<u>(18,038)</u>

Revenue reported above represents revenue generated from external customers.

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Re-presented)
Segment assets		
Continuing operations		
Hair styling	6,061	5,139
Money lending	37,114	39,265
Property investments	329,826	324,468
	<u>373,001</u>	<u>368,872</u>
Discontinued operation		
Stock broking	–	31,987
	<u>–</u>	<u>31,987</u>
Total segment assets	373,001	400,859
Available-for-sale financial assets	18,733	18,129
Financial assets at fair value through profit or loss	4,796	4,896
Pledged bank deposits	115,330	118,736
Short-term bank deposits	87,812	107,621
Other corporate assets	25,844	7,907
	<u>625,516</u>	<u>658,148</u>
Consolidated total assets	<u>625,516</u>	<u>658,148</u>
Segment liabilities		
Continuing operations		
Hair styling	2,088	1,813
Money lending	73	82
Property investments	57,386	58,086
	<u>59,547</u>	<u>59,981</u>
Discontinued operation		
Stock broking	–	14,299
	<u>–</u>	<u>14,299</u>
Total segment liabilities	59,547	74,280
Deferred tax liabilities	2,438	3,303
Bank borrowings	198,980	198,000
Other corporate liabilities	1,253	1,486
	<u>262,218</u>	<u>277,069</u>
Consolidated total liabilities	<u>262,218</u>	<u>277,069</u>

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

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

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Re-presented)						(Re-presented)		(Re-presented)	
Continuing operations										
Hair styling	-	-	-	-	-	-	277	87	102	122
Money lending	1,585	1,551	-	-	-	-	-	-	-	-
Property investments	4,380	3,449	2,809	3,500	1,171	1,198	2,993	3	240	280
Discontinued operation										
Stock broking	75	396	-	-	-	-	-	9	7	35
	6,040	5,396	2,809	3,500	1,171	1,198	3,270	99	349	437
Unallocated	3,750	4,151	-	-	3,772	3,727	749	540	364	523
Total	9,790	9,547	2,809	3,500	4,943	4,925	4,019	639	713	960

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	
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Hong Kong (place of domicile)	263,828	258,956	24,789	29,439
Macau	62,520	61,313	3,668	4,626
	<u>326,348</u>	<u>320,269</u>	<u>28,457</u>	<u>34,065</u>

Revenue from external customers derived in Hong Kong include revenue generated by the discontinued operation of stock broking amounting to HK\$378,000 (2015: HK\$3,157,000).

Information about a major customer

Revenue from one customer of the Group's property investments segment amounted to HK\$3,284,000 (2015: HK\$5,175,000) which represented more than 10% of the Group's revenue.

6. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations		
Interest charges on finance leases	34	30
Interest charges on bank loans	4,909	4,895
	<u>4,943</u>	<u>4,925</u>

7. LOSS BEFORE INCOME TAX

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Loss before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	123	123
Depreciation of property, plant and equipment	583	802
Auditor's remuneration	600	570
Employee benefit expenses	26,403	25,596
(Reversal)/Provision for impairment on loans receivable	(28)	1,000
Rentals received/receivable from investment properties less direct outgoings of HK\$1,326,000 (2015: HK\$646,000)	(7,929)	(10,914)
Operating lease charges in respect of:		
– Buildings	3,586	3,422
– Motor vehicles and equipment	468	468
Exchange loss, net	<u>14,832</u>	<u>10,673</u>

8. INCOME TAX (CREDIT)/EXPENSE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations		
Income tax (credit)/expense comprises:		
Current tax		
– Hong Kong profits tax	148	103
– Over provision in respect of prior years	<u>(21)</u>	<u>–</u>
	127	103
Deferred tax	<u>(865)</u>	<u>302</u>
	<u>(738)</u>	<u>405</u>

The Group is subject to Hong Kong profits tax which is calculated at 16.5% (2015: 16.5%) of the estimated assessable profit for the year.

Pursuant to the tax rules and regulations of Macau, the subsidiaries incorporated and operated in Macau are liable to Macau Profits Tax at the rate of 12% (2015: 12%).

9. DISCONTINUED OPERATION

On 16 November 2015, the Group entered into a conditional sales and purchase agreement with an independent third party, Po Lee Capital Limited in respect of the disposal of its 100% equity interest in CL Securities (the “Disposal”). CL Securities is principally engaged in the provision of stock broking services in Hong Kong.

The Disposal was completed on 23 March 2016. The consideration for the Disposal was HK\$23,598,000.

The results of CL Securities constitute a discontinued operation which are set out below. For the purpose of presenting the discontinued operation of CL Securities, the consolidated statement of comprehensive income for the year ended 31 December 2015 and the related notes have been re-presented.

	Period from 1 January to 23 March 2016 HK\$'000	Year ended 31 December 2015 HK\$'000
Revenue	378	3,157
Cost of services provided	(54)	(704)
Gross profit	324	2,453
Other income	281	30
Administrative expenses	(489)	(2,274)
Profit before income tax	116	209
Income tax expenses	–	–
Profit for the period/year	116	209
Gain on disposal of CL Securities	5,854	–
Profit for the year from discontinued operation	5,970	209
	Period from 1 January to 23 March 2016 HK\$'000	Year ended 31 December 2015 HK\$'000
Cash flows from discontinued operation		
Net cash (used in)/generated from operating activities	(1,262)	1,625
Net cash used in investing activities	–	(9)
Net cash used in financing activities	–	(104)
Net cash (outflows)/inflows	(1,262)	1,512

The assets and liabilities of CL Securities derecognised at the date of disposal on 23 March 2016 were as follows:

	<i>HK\$'000</i>
Non-current assets	
Property, plant and equipment	<u>36</u>
Current assets	
Trade and other receivables and prepayments	6,784
Trust bank balances held on behalf of customers	4,664
Cash and bank balances	<u>11,326</u>
	<u>22,774</u>
Current liabilities	
Trade payables	4,987
Other payables and accruals	180
Amount due to a subsidiary	<u>45</u>
	<u>5,212</u>
Net assets disposed of	<u><u>17,598</u></u>

Gain on disposal of CL Securities is calculated as follows:

	<i>HK\$'000</i>
Consideration received	23,598
Net assets disposed of	(17,598)
Transaction costs of the disposal	<u>(146)</u>
Gain on disposal	<u><u>5,854</u></u>

Net cash inflow from disposal of CL Securities is calculated as follows:

	<i>HK\$'000</i>
Consideration received	23,598
Less: Cash and bank balances disposed of	<u>(11,326)</u>
	<u><u>12,272</u></u>

10. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2016 (2015: Nil).

11. LOSS/EARNINGS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<i>(Loss)/Profit attributable to owners of the Company</i>		
Loss from continuing operations	(25,587)	(19,341)
Profit from discontinued operation	5,970	209
Loss from continuing and discontinued operations	<u>(19,617)</u>	<u>(19,132)</u>
	2016 <i>'000</i>	2015 <i>'000</i>
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>309,706</u>	<u>307,078</u>

For the purposes of calculating diluted loss/earnings per share, no adjustment has been made to the basic loss per share for continuing and discontinued operations as well as for continuing operations as the exercise of the outstanding share options would result in decrease in the basic loss per share for the years ended 31 December 2016 and 2015.

Earnings per share from discontinued operation are as follows:

	2016 <i>HK cents</i>	2015 <i>HK cents</i>
Basic	1.93	0.07
Diluted (<i>note</i>)	<u>1.87</u>	<u>0.07</u>

Note: The calculation of diluted earnings per share for discontinued operation is based on the profit from discontinued operation attributable to owners of the Company of HK\$5,970,000 (2015: HK\$209,000) and the weighted average of 319,801,000 (2015: 317,584,000) ordinary shares outstanding during the year after adjusting for the effects of the outstanding share options.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	1,586	8,367
Less: Provision for impairment	<u>–</u>	<u>(281)</u>
Trade receivables, net	1,586	8,086
Other receivables and prepayments	<u>3,875</u>	<u>5,631</u>
	<u>5,461</u>	<u>13,717</u>

For stock broking segment, the Group allowed 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. For other business segments, no credit period is granted in general.

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Repayable on demand – margin receivables*	–	6,942
0-30 days	1,223	527
31-60 days	–	22
61-90 days	–	35
Over 90 days	<u>363</u>	<u>560</u>
	<u>1,586</u>	<u>8,086</u>

* As at 31 December 2015, the Group held certain listed equity securities of customers as collateral over these trade receivables of stock broking segment .

13. TRADE PAYABLES

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Repayable on demand – Trust bank balances for funds placed by customers	–	11,315
0-30 days	46	2,678
31-60 days	<u>38</u>	<u>32</u>
	<u>84</u>	<u>14,025</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

General Performance

The global economy confronted great uncertainty and instability last year in consequence of a series of political events which had impacted the global economy and geopolitical situation. Amongst them were the Brexit, US interest rate hikes and the uncertainty under the new President Trump's economic policy and agenda in US. While the actual impact on the global economy of all these scenarios added up still remains to be seen, major economies around the world treaded cautiously in 2016 and is expected continuing to be so in the coming year amid additional uncertainties arising from the impending leadership elections in Europe and the protracted conflicts in the Middle East.

Despite the continued depreciation of Renminbi in the last three years, PRC Government continued to forge ahead and delivered slower but stable economic growth. Back in Hong Kong, the economy grew by 1.9% (2.4% in 2015) as the global economic growthpace weakened to its lowest level since 2009. Dragged by decline in tourist arrivals, value of retail sales in nominal terms dropped by 8.1% last year compared to 3.7% drop in the year before. Nevertheless a stable economy was sustained when the domestic sector showed resilience and supported private consumption growth given a healthy employment market and steady wage growth. In our neighbouring city Macau where some of the Group's assets are located in, there was also a turnaround in the economy with improvements in gross gaming revenue and property market compared to the year before.

During the year under review, the Group's net loss increased by about 4.4% to that of the previous year amounted to HK\$19,263,000. The net loss was mainly attributable to the unrealised Renminbi bank deposit exchange loss of HK\$14,832,000.

The Group's revenue from continuing operations decreased approximately 9.2% from HK\$30,908,000 in 2015 to approximately HK\$28,079,000 in 2016 while the gross profit dropped 11.9% to HK\$18,948,000. Decrease in revenue and gross profit was mainly attributable to the decrease in rental income from investment properties which will be discussed in detail under the property investment business section below. Other income decreased by 6.8% to HK\$9,189,000 after deducting income from a forfeiture of rental deposit amounted to HK\$1,050,000 from one of the tenants upon early termination of its tenancy in 2015. The administrative expenses increased 9.0% to \$51,972,000 mainly due to the unrealised exchange loss of HK\$14,832,000 incurred during the year which increased 39.0% from HK\$10,673,000 in the year 2015.

As at 31 December 2016, the Group's net asset value was approximately HK\$363,298,000 and net asset value per share was approximately HK\$1.17. The Group's total assets and total liabilities as at 31 December 2016 were approximately HK\$625,516,000 and HK\$262,218,000 respectively.

Property Investments Business

At the start of 2016, the Hong Kong property commercial sector was hit hard by weak tourist travels and retail sales data against structural changes in Mainland consumer behaviour while the residential sector was under downtrend pressure due to expected interest rate hikes. However as Hong Kong's economic growth picked up steadily towards latter half the year with real GDP growth reflecting both healthy domestic consumption and investment, sentiments in the property market strengthened, in particular, in the residential sector. In response to the strong volume and ongoing price increase, our government imposed in November 2016 new stamp duty policy in an attempt to curb speculative activity. Such new stamp duty seemed to have an immediate cooling effect on transaction volume irrespective that the price growth persisted.

The Group made no acquisition or disposal in 2016. Asset values remained approximately the same as in 2015 as fair value of our investment properties was only increased by HK\$2,809,000 during the year being 19.7% less of the fair value gain in the previous year. Total rental income was decreased approximately 19.9% to HK\$9,255,000. Return from leasing the investment properties is about 5.1% comparing the gross rental income and cost of investments.

Rental income from Macau properties was decreased approximately 20.7% to HK\$3,668,000 with an average yield of about 8.7% comparing the gross rental income and cost of investments. The decrease was due to substantial reduction in new shop rental after early termination of the tenancy agreement in July 2015 at the time of economic downturn in Macau.

In Hong Kong total rental income derived from the Group's en-bloc boutique hotel situated in Shuang Wan and some residential units in Taikoo Shing was reduced approximately 19.4% to HK\$5,587,000 with investment yield being approximately 4.0%. The decrease was partly explained by the prolonged vacancy period for over six months to carry out renovation in the premises when the old tenancy of the en-bloc boutique hotel expired on 30 September 2015. Subsequently when a new tenancy agreement was entered into in mid-April 2016, we faced substantial rental reduction requests from the new tenants at the time when the tourist market was sluggish being affected by subpar regional growth, strong local currency and the effect of "one trip per week" Individual visit endorsement.

Hair Styling Business

In 2016, 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\$17,239,000 representing a decrease of 3.1% as compared with 2015 while segment profit decreased by 31.9% from HK\$1,787,000 to approximately HK\$1,217,000. Decrease in segment profit was mainly attributable to the increase in rental expenses after renewal of the tenancy agreement in May 2016 and increase in staff cost.

Other Business Segments

Money lending activities continued to generate positive results with turnover recorded a increase of 2.2% to HK\$1,585,000 over the previous year. Segment profit increased immensely from HK\$39,000 in 2015 to HK\$1,235,000 after removing the effect of soaring expenses over provision of doubtful debt on one of the borrowers in the year before.

Discontinued Operation

The local stock market remained volatile in 2016. As mentioned in our interim report earlier, in November 2015 the Group entered into a conditional sales and purchase agreement with an independent third party, Po Lee Capital Limited, for disposal of our wholly owned subsidiary Century Legend Securities Limited (now known as “Po Lee Securities Limited”) which was engaged in stock broking business (the “Disposal”). The Disposal was completed on 23 March 2016 and recorded a gain on disposal of HK\$5,854,000.

Turnover from the discontinued stock brokerage business segment for the period from 1 January to 23 March 2016 was HK\$378,000 and profit for the year was HK\$5,970,000 including the gain on disposal.

Financial Review

I. Liquidity and Financial Resources

As at 31 December 2016, the Group had a cash and bank balance including pledged bank deposits of HK\$233,098,000 and net current assets of HK\$12,147,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2016 was approximately 1.05 (31 December 2015: 1.03). The Group maintained a healthy working capital position during 2016.

The sales and purchase of the Group are mainly denominated in Hong Kong Dollars. Exposure to foreign currency exchange rates arised out of the substantial amount of Renminbi deposit, the Group has on hand in view of the recent Renminbi exchange rate fluctuation. The Group at present does not have any contracts to hedge against its foreign exchange risks but the Directors consider the Renminbi exchange rate will stabilize in the long run.

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\$245,219,000, 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 2016 (31 December 2015: Nil). The Group had no significant capital commitments as at 31 December 2016 (31 December 2015: HK\$1,605,000).

II. Capital Structure of the Group

As at 31 December 2016, the Group had total equity of HK\$363,298,000, HK\$980,000 of fixed rate liability, HK\$245,219,000 of floating rate liability and HK\$16,019,000 of interest-free liabilities, representing 0.3%, 67.5% and 4.4% 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 2016 was approximately 0.2% (31 December 2015: 0.1%).

III. Significant Investments, Material Acquisition and Disposal

During the year ended 31 December 2016, the Group had not made any significant investments or material acquisition and disposal of subsidiaries except for the disposal of stock brokerage business as mentioned above.

IV. Employment Information

As at 31 December 2016, the Group employed approximately a total of 35 employees (2015: 43 employees). 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 2016, total staff costs (excluding Directors' emoluments) amounted to approximately HK\$8,836,000 (2015: HK\$10,060,000).

V. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

PROSPECTS

Looking forward to 2017, the global economy will be constantly influenced and challenged by political changes and market uncertainties. As the global political and economic situation undergoes dynamic changes, including the negotiation between the United Kingdom and the European Union in relation to Brexit, policy implementation of the newly elected president of the United States, the unpredictable impact which would be caused by the election and transition in several European countries, interest hike by the United States, slowdown of the economy of Mainland China and the fluctuation of exchange rate of Renminbi, the global market is faced with increasing uncertainties. The global economy may hover at a low growth level and the International Monetary Fund has lowered its estimation of the global economic growth. At regional level, the economy of Hong Kong and Macau is currently stabilising with a sound foundation. Low unemployment rate reflects a healthy labor market with recovering public consumption sentiment. Tourism has been improving constantly as the decreasing trend in number of tourists since the third quarter of 2015 ended with a rebound by the end of last year. In particular, the decrease of Mainland visitors has also been narrowing. As an integral part of the master plan under several initiatives for foreign development, such as “Going Out” and “Belt and Road”, Hong Kong and Macau receive preferential treatment and are blessed with new development opportunities.

All in all, 2017 will remain a challenging year for the global economy. However, the economy of Hong Kong and Macau is expected to stabilise in the short term with moderate growth and new opportunities. The Group is cautiously optimistic about the economic development in the coming year, and will adhere to our established operation strategy by formulating financial plan and management scheme with due care in a prudent and progressive manner in order to deal with various changes and challenges from the market. We will also actively promote the business development of the Group by seeking any suitable and promising investment opportunities in the market and optimising the Group’s investment portfolio so as to create the best value to the shareholders and other stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

The Group always strives for being an outstanding member of the communities in the territories it operates, Hong Kong and Macau. As such, each year the management would set targets to achieve goals of community care and environmental protection by actively participating in various social services. In the future the Group shall continue to seek innovative and meaningful ways to engage its employees and associates in building stronger and more vibrant communities.

During the year 2016, the Group was honoured with the following awards:

Hong Kong

- “Caring Company” by the Hong Kong Council of Social Services for 8 years in succession,
- “The Hong Kong Outstanding Corporate Citizenship Award Scheme for SME Category and Volunteer Team Category” by the Hong Kong Productivity Council for 2 years,
- “Good MPF Employer” by Mandatory Provident Fund Schemes Authority for 2 years,
- “SME in their Manpower Developer Award Scheme” by the Employee Retraining Board with Manpower Developer for 2 years,
- “Social Capital Builder” award by the Hong Kong Productivity Council

Macau

- “Caring Company for 2015-2016” commended by the The Youth Committee of Macau Chamber of Commerce and Macau Association of Chinese Young Entrepreneurs in recognition of our dedication to the social charity work in particular with the homeless children in all the past years

The Group is always firmly committed to operating as a socially-responsible company across all of its business operations and a more detailed Environmental, Social and Governance Report of our activities during the year will be posted in our company’s website later.

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 2016, 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 (the “**Listing Rules**”) 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 separate 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 audit, internal control, financial reporting of the Group and reviewed the annual results and consolidated accounts of the Group for the year ended 31 December 2016.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited 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.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 31st Floor, 148 Electric Road, North Point, Hong Kong by not later than 4:30 p.m. on Monday, 22 May 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the year under review.

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

Hong Kong, 31 March 2017

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.