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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 2018

The board of directors (the "**Board**") of Century Legend (Holdings) Limited (the "**Company**") announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2018 together with the comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*3*	**26,099**	28,390
Cost of revenue		**(8,816)**	(9,187)
Gross profit		**17,283**	19,203
Other income	*4*	**9,427**	26,406
Fair value gain on financial assets at fair value through profit or loss		**300**	1,947
Fair value gain on investment properties		**11,963**	4,000
Gain on disposal of available-for-sale financial assets		**–**	2,361
Administrative expenses		**(45,540)**	(37,398)
Finance costs	*6*	**(5,824)**	(4,964)
(Loss)/Profit before income tax	*7*	**(12,391)**	11,555
Income tax expense	*8*	**(402)**	(531)
(Loss)/Profit for the year		**(12,793)**	11,024

* *For identification purposes only*

	Note	2018 HK$'000	2017 HK$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of available-for-sale financial assets		**–**	4,540
Release upon disposal of available-for-sale financial assets		**–**	(1,244)
Item that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**(1,367)**	–
Other comprehensive income for the year		**(1,367)**	3,296
Total comprehensive income for the year		**(14,160)**	14,320
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(12,873)**	10,793
Non-controlling interests		**80**	231
		(12,793)	11,024
Total comprehensive income for the year attributable to:			
Owners of the Company		**(14,240)**	14,089
Non-controlling interests		**80**	231
		(14,160)	14,320
		HK cents	*HK cents*
Basic and diluted (loss)/earnings per share	*10*		
– Basic		**(4.16)**	3.48
– Diluted		**(4.16)**	3.38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,435**	2,949
Investment properties		**353,700**	323,200
Prepaid land lease payments		**3,331**	3,454
Available-for-sale financial assets		**–**	19,029
Financial assets at fair value through other comprehensive income		**14,378**	–
		373,844	348,632
Current assets			
Inventories		**70**	55
Prepaid land lease payments		**123**	123
Financial assets at fair value through profit or loss		**5,439**	6,741
Trade and other receivables and prepayments	*11*	**3,893**	4,689
Tax recoverable		**32**	–
Pledged bank deposits		**80,382**	128,811
Cash and bank balances		**123,408**	150,065
		213,347	290,484
Current liabilities			
Trade payables	*12*	**144**	99
Other payables and accruals		**12,390**	13,623
Obligations under finance leases		**288**	288
Bank borrowings (secured)		**196,364**	243,089
Tax payable		**–**	1
		209,186	257,100
Net current assets		**4,161**	33,384
Total assets less current liabilities		**378,005**	382,016

	2018	2017
	HK$'000	*HK$'000*
Non-current liabilities		
Obligations under finance leases	**117**	404
Bank borrowings (secured)	**9,403**	–
Deferred tax liabilities	**3,343**	2,923
	12,863	3,327
Net assets	**365,142**	378,689
EQUITY		
Share capital	**61,941**	61,941
Reserves	**298,815**	312,442
Equity attributable to the owners of the Company	**360,756**	374,383
Non-controlling interests	**4,386**	4,306
Total equity	**365,142**	378,689

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group 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) Adoption of new or revised HKFRSs – effective 1 January 2018

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 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKAS 40	Transfers of Investment Property

HKFRS 9 – Financial Instruments ("HKFRS 9")

(i) Classification and measurement of financial instruments

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* ("**HKAS 39**") for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (i) classification and measurement; (ii) impairment; and (iii) hedge accounting. The adoption of HKFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

The following tables summarised the impact of transition to HKFRS 9 on the opening balance of reserves as of 1 January 2018 as follows (increase/(decrease)):

	HK$'000
Revaluation reserve	
Balance at 31 December 2017	7,860
Reclassify investments from available-for-sale at fair value to financial assets at fair value through other comprehensive income ("**FVOCI**")	(7,014)
Restated balance at 1 January 2018	846
Financial assets at FVOCI reserve	
Balance at 31 December 2017	–
Reclassify investments from available-for-sale at fair value to financial assets at FVOCI	7,014
Restated balance at 1 January 2018	7,014

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, 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. However, it eliminates the previous HKAS 39 categories for financial assets of held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("**amortised cost**"); (ii) financial assets at FVOCI; or (iii) financial assets at FVTPL. The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "solely payments of principal and interest" criterion, also known as "**SPPI**" criterion). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies would be applied to the Group's financial assets as follows:

FVTPL	FVTPL is subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.
Amortised cost	Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.
FVOCI (equity instruments)	Equity investments at FVOCI are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

As of 1 January 2018, certain equity investment in listed securities were reclassified from available-for-sale financial assets to financial assets at FVOCI. The Group intends to hold these equity investments for long term strategic purposes. Under HKFRS 9, the Group has designated these equity investments at the date of initial application as measured at FVOCI. As a result, financial assets with a fair value of HK$19,029,000 were reclassified from available-for-sale financial assets at fair value to financial assets at FVOCI and fair value gains of HK$7,014,000 were reclassified from the revaluation (available-for-sale assets) reserve to the financial assets at FVOCI reserve on 1 January 2018.

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Financial assets	**Original classification under HKAS 39**	**New classification under HKFRS 9**	**Carrying amount as at 1 January 2018 under HKAS 39** *HK$'000*	**Carrying amount as at 1 January 2018 under HKFRS 9** *HK$'000*
Available-for-sale financial assets	Available-for-sale (at fair value)	FVOCI	19,029	19,029
Financial assets at fair value through profit or loss	Held-for-trading	FVTPL	6,741	6,741
Trade and other receivables	Loans and receivables	Amortised cost	4,044	4,044
Pledged bank deposits	Loans and receivables	Amortised cost	128,811	128,811
Cash and bank balances	Loans and receivables	Amortised cost	150,065	150,065

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("**ECL**") model". HKFRS 9 requires the Group to recognise loss allowance using ECL model for trade receivables and financial assets at amortised cost, earlier than HKAS 39. Pledged bank deposits and cash and bank balances are also subject to ECL model but the impairment is immaterial for the current period as the counterparties are reputable banks.

Under HKFRS 9, the loss allowances are measured on either of the following bases: (i) 12-month ECL: these are the ECL that result from possible default events within the 12 months after the end of the reporting period; and (ii) lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

Measurement of ECL

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the financial assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECL based on lifetime ECL. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECL are based on the 12-month ECL. The 12-month ECL is the portion of the lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the end of the reporting period. However, when there has been a significant increase in credit risk since initial recognition, the loss allowance will be based on the lifetime ECL. When assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise. The Group considers a financial asset to be in default when: (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

The maximum period considered when assessing ECL is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECL

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the ECL model

As mentioned above, the Group applies the simplified approach to measure ECL which recognises lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In addition, the Group applies the 12-month ECL for other financial assets at amortised cost of the Group including other receivables, deposits, pledged bank deposits and cash and bank balances. No additional impairment for these receivables as at 1 January 2018 and during the year ended 31 December 2018 is recognised as the amount of additional impairment measured under the ECL model is insignificant.

(iii) Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

(iv) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECL requirement, if any, are therefore not reflected in the consolidated statement of financial position as at 31 December 2017, but are recognised in the consolidated statement of financial position on 1 January 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9, if any, are recognised in accumulated losses and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39 and thus, certain comparative information may not be comparable to the current period.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9 (the "**DIA**"):

- The assessment of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and
- The designation of certain investments in equity instruments not held for trading as financial assets at FVOCI.

If an investment in a debt instrument had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

HKFRS 15 – Revenue from Contracts with Customers ("HKFRS 15")

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations. HKFRS 15 has established a five steps model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. The Group has chosen to recognise the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated losses at the DIA (that is, 1 January 2018). As a result, the financial information presented for 2017 would not be restated.

There was no material impact on the Group's consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended 31 December 2018.

Details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's goods and services are set out below:

Product/service	**Nature of the goods or services, satisfaction of performance obligations and payment terms**	**Nature of change in accounting policy and impact on 1 January 2018**
Hair styling services income	Customers receive the services, which contain certain performance obligation with the same pattern of transfer, when those services are provided. Revenue is recognised over time as those services are provided.	*Impact* HKFRS 15 did not result in any significant change or impact on the Group's accounting policies.
Gross rental income from investment properties	Not applicable.	*Impact* HKFRS 15 does not apply to lease contracts in the scope of HKAS 17. In this regard, the rental income from investment properties fall outside the scope of HKFRS 15.

Amendments 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.

The adoption of these amendments has no impact on these financial statements as the Group had not previously adopted HKFRS 15 and took up the clarifications in this, its first, year.

Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment 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.

The adoption of these amendments has no impact on these financial statements as the Group does not have any cash-settled share-based payment transaction and has no share-based payment transaction with net settlement features for withholding tax.

Amendments to HKAS 40 – Investment Property – Transfers of Investment Property

The amendments clarify that to transfer to or from investment properties there must be a change in use and provides guidance on making this determination. The clarification states that a change of use will occur when a property meets, or ceases to meet, the definition of investment property and there is supporting evidence that a change has occurred. The amendments also re-characterise the list of evidence in the standard as a non-exhaustive list, thereby allowing for other forms of evidence to support a transfer.

The adoption of these amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously assessed transfers.

(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. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 16	Leases[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[3]
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3 Business Combinations; HKAS 12 Income Taxes; and HKAS 23 Borrowing Costs[1]

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

2 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after 1 January 2020

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The Directors are currently assessing the possible impact of these new or revised standards on the Group's results and financial position in the first year of application. Those new or reviewed HKFRSs that may have a material impact on the Group's financial statements are set out below.

HKFRS 16 Leases ("HKFRS 16")

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 classify cash repayments of the lease liability into a principal portion and an interest portion and present 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 not 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.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK$4,301,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In the consolidated statement of comprehensive income, as the leases will be capitalised in future, operating lease expenses will no longer be recorded for these leases while depreciation and interest expense will increase due to the depreciation charge on the right-of-use asset and the interest expense on the lease liability. In addition, more quantitative and qualitative disclosures about the leases will be made following the requirements of HKFRS 16.

Except for the above, other new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

3. REVENUE

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

	2018	2017
	HK$'000	*HK$'000*
Rendering of hair styling services	**16,611**	17,454
Interest income from money lending	**–**	715
Gross rental income from investment properties	**9,488**	10,221
	26,099	28,390

4. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Bank interest income	**7,410**	8,232
Dividend income from listed investments	**994**	795
Exchange gain, net	**–**	16,352
Sundry income	**1,023**	1,027
	9,427	26,406

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:

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

Segment revenue and results

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

	Segment revenue		Segment results	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**16,611**	17,454	**389**	843
Money lending	**–**	715	**(30)**	1,248
Property investments	**9,488**	10,221	**642**	(7,199)
	26,099	28,390	**1,001**	(5,108)
Unallocated income			**5,724**	5,404
Exchange (loss)/gain, net			**(7,623)**	16,352
Fair value gain on financial assets at fair value through profit or loss			**300**	1,947
Gain on disposal of available-for-sale financial assets			**–**	2,361
Corporate staff costs			**(7,402)**	(5,143)
Other corporate and unallocated expenses			**(4,391)**	(4,258)
(Loss)/Profit before income tax			**(12,391)**	11,555

Revenue reported above represents revenue generated from external customers.

Segment results represent the profit earned/loss incurred by each segment without allocation of central administrative costs. Segment results exclude certain bank interest income, dividend income, exchange loss/gain, net, fair value change on financial instruments and gain on disposal of available-for-sale financial assets which arise from assets that are managed on a group basis. Segment results also exclude corporate staff costs and other corporate and unallocated 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

	2018	2017
	HK$'000	*HK$'000*
Segment assets		
Hair styling	**3,483**	3,329
Money lending	**123**	35
Property investments	**364,139**	334,965
Total segment assets	**367,745**	338,329
Available-for-sale financial assets	**–**	19,029
Financial assets at fair value through other comprehensive income	**14,378**	–
Financial assets at fair value through profit or loss	**5,439**	6,741
Pledged bank deposits	**80,382**	128,811
Short-term bank deposits	**111,980**	141,848
Other corporate and unallocated assets	**7,267**	4,358
Consolidated total assets	**587,191**	639,116
Segment liabilities		
Hair styling	**1,638**	1,606
Money lending	**16**	73
Property investments	**62,093**	55,929
Total segment liabilities	**63,747**	57,608
Deferred tax liabilities	**3,343**	2,923
Borrowings	**153,404**	198,692
Other corporate and unallocated liabilities	**1,555**	1,204
Consolidated total liabilities	**222,049**	260,427

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 other comprehensive income, financial assets at fair value through profit or loss, pledged bank deposits, certain short-term bank deposits which are managed on group basis and other corporate and unallocated assets; and

– all liabilities are allocated to reportable segments other than deferred tax liabilities, certain borrowings which are managed on group basis and other corporate and unallocated liabilities.

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**26**	15	**–**	–	**–**	–	**10**	11	**117**	120
Money lending	**–**	715	**–**	–	**–**	–	**–**	–	**–**	–
Property investments	**3,509**	4,347	**11,963**	4,000	**5,786**	4,926	**18,537**	28	**217**	229
	3,535	5,077	**11,963**	4,000	**5,786**	4,926	**18,547**	39	**334**	349
Unallocated	**3,875**	3,870	**–**	–	**38**	38	**18**	18	**331**	453
Total	**7,410**	8,947	**11,963**	4,000	**5,824**	4,964	**18,565**	57	**665**	802

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	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**274,771**	265,938	**23,074**	24,502
Macau	**84,695**	63,665	**3,025**	3,888
	359,466	329,603	**26,099**	28,390

Information about a major customer

Revenue from one customer of the Group's property investments segment amounted to HK$4,637,000 (2017: HK$4,637,000) which represented more than 10% of the Group's revenue.

Disaggregation of revenue

In the following table, revenue under HKFRS 15 is disaggregated by primary geographical market, operating segments and timing of revenue recognition.

	2018	2017
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition – Transferred over time		
Hong Kong (domicile)		
Hair styling services	**16,611**	17,454
Revenue from other sources		
Rental income	**9,488**	10,221
Money lending	**–**	715
	26,099	28,390

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest charges on finance leases	**38**	38
Interest charges on bank loans	**5,786**	4,926
	5,824	4,964

7. (LOSS)/PROFIT BEFORE INCOME TAX

	2018	2017
	HK$'000	*HK$'000*
(Loss)/Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	**123**	123
Depreciation of property, plant and equipment	**542**	679
Auditor's remuneration	**520**	520
Employee benefit expenses	**27,816**	27,756
Exchange loss, net	**7,623**	–
Gain on disposal of property, plant and equipment	**–**	(9)
Reversal for impairment on loans receivable	**–**	(972)
Write-off of trade receivables	**–**	363
Rentals received/receivable from investment properties less direct outgoings of HK$529,000 (2017: HK$686,000)	**(8,959)**	(9,535)
Operating lease charges in respect of:		
– Buildings	**3,848**	3,828
– Motor vehicles and equipment	**469**	468

8. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Income tax expense comprises:		
Current tax — Hong Kong Profits Tax		
– Tax for the year	**12**	86
– Over-provision in respect of prior years	**(30)**	(40)
	(18)	46
Deferred tax	**420**	485
	402	531

The Group is subject to Hong Kong Profits Tax. For the year ended 31 December 2017, Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for the year.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual period beginning on or after 1 January 2018.

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% (2017: 12%).

9. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2018 (2017: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
(Loss)/Earnings		
(Loss)/Profit attributable to owners of the Company	**(12,873)**	10,793

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	**309,706**	309,706

For the purposes of calculating diluted loss per share for the year ended 31 December 2018, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect on the basic loss per share.

Diluted earnings per share for the year ended 31 December 2017 is calculated by dividing the Group's profit attributable to owners of the Company by the weighted average number of ordinary shares for the purposes of calculating the basic earnings per share of 309,706,000 shares, after adjustment for the potential dilutive effect in the potential ordinary shares to be issued on the exercise of the share options granted by the Company of 9,662,000 shares.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**188**	662
Other receivables, deposits and prepayments	**3,705**	4,027
	3,893	4,689

In general, no credit period is granted for its customers due to the Group's business nature.

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

	2018	2017
	HK$'000	*HK$'000*
0-30 days	**162**	662
31-60 days	**16**	–
61-90 days	**10**	–
	188	662

No loss allowance was provided as there has not been a significant change in credit quality based on historical experience. The Group determined that there were no significant financial impact arising from the adoption of ECL model under HKFRS 9 for all trade and other receivables and deposits as at 1 January 2018 and 31 December 2018. The Group does not hold any collateral over these balances.

12. 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:

	2018	2017
	HK$'000	*HK$'000*
0-30 days	**85**	72
31-60 days	**59**	27
	144	99

13. EVENTS AFTER THE REPORTING DATE

On 18 March 2019, the Group entered into a provisional sales and purchases agreement with an independent third party to dispose of an investment property at a consideration of HK$16,800,000. The carrying amount of the investment property as at 31 December 2018 is HK$16,000,000. The transaction has not yet been completed before the date of approval of the financial statements. Please refer to the Company's announcement on 18 March 2019 for details.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

General Performance

During the year 2018, the Group's net loss was approximately HK$12,793,000 compared to the net profit of HK$11,024,000 in 2017. The net loss was mainly attributable to the unrealised exchange loss, net of HK$7,623,000 in the year instead of unrealised exchange gain, net of HK$16,352,000 in last year derived from Renminbi bank deposits held.

The Group's revenue decreased by approximately 8% from HK$28,390,000 in 2017 to approximately HK$26,099,000 in 2018 while the gross profit decreased by 10% to HK$17,283,000. Other income decreased by 64% to HK$9,427,000 in the absence of the income derived from the Renminbi unrealised exchange gain, net of HK$16,352,000 in 2017. The administrative expenses on the other hand increased by 22% to HK$45,540,000 mainly due to the Renminbi unrealised exchange loss of HK$7,623,000 incurred in the year under review.

As at 31 December 2018, the Group's net asset value was approximately HK$365,142,000 and net asset value per share was approximately HK$1.18. The Group's total assets and total liabilities were approximately HK$587,191,000 and HK$222,049,000 respectively.

Property Investments Business

During the year under review, the Group acquired a premium residential property located on an exclusive waterfront site in downtown Macau at HK$16,000,000. The property was acquired at vacant possession and had been leased out since completion in June 2018. The acquisition will bring the capital appreciation potential and broaden the asset basis in Macau. Total asset values of investment properties increased by HK$30,500,000 compared to the same in 2017 of which HK$21,200,000 attributed to investment properties in Macau and HK$9,300,000 from investment properties in Hong Kong. Total rental income was decreased by approximately 7% to HK$9,488,000 as our Macau retail shop had been vacant throughout the latter half of the year after the old tenancy expired. Return from leasing the investment properties is about 5% comparing the gross rental income and cost of investments.

Rental income from Macau properties was decreased approximately 22% to HK$3,025,000 with an average yield of about 5% comparing the gross rental income and cost of investments. It was due to vacancy of our Macau retail shop since July 2018.

In Hong Kong total rental income derived from the Group's en-bloc boutique hotel situated in Sheung Wan and some residential units in Taikoo Shing was increased approximately 2% to HK$6,463,000 with investment yield being approximately 5%. The higher rental rate secured from leases renewal during the year explained the increase even though the incremental effect was partly offset as one of the Taikoo Shing residential properties had been vacant for four months before a new tenancy commenced.

Hair Styling Business

In 2018, 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$16,611,000 representing a decrease of about 5% as compared with 2017 and segment profit decreased by 54% from HK$843,000 to approximately HK$389,000. Reduced income from hair stylists leaving our salon resulted in substantial drop in segment profits as the business segment incurred high fixed overheads other than increase in staff cost being a labour intensive industry. Our salon will be relocated to a retail shopping mall in Central, the heart of Hong Kong's most prestigious business and retail district after expiry of tenancy in May 2019. The new location with excellent transport connectivity is expected to attract more new customers and talented stylists to join our team, at the same time increase market awareness and attention. In future as in the past stringent measures will be taken to control costs while at the same time deploying means and marketing strategies to boost turnover.

Other Business Segments

Money lending business was dormant during the year when the Group realigned it business strategy to allocate its surplus funding to other yield enhancement investment products. Going forward should the opportunity of a potential loan arised, the Group will continue to adopt a cautious approach to manage credit risks.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2018, the Group had a cash and bank balances including pledged bank deposits of HK$203,790,000 and net current assets of HK$4,161,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2018 was approximately 1.02 (31 December 2017: 1.13).

The sales and purchase of the Group are mainly denominated in Hong Kong Dollars. But the Group has substantial amount of Renminbi deposits on hand and the exchange rate of which may become volatile. The Directors consider that the Group may expose to fluctuations on Renminbi exchange rates.

During the year, the Group's investment properties, prepaid land lease payments and certain bank deposits were pledged to three banks to secure the bank borrowing of approximately HK$205,767,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. The Group did not have significant contingent liabilities as at 31 December 2018 (31 December 2017: Nil). There is no significant capital commitments as at 31 December 2018 (31 December 2017: Nil).

II. Capital Structure of the Group

As at 31 December 2018, the Group had total equity of HK$365,142,000, HK$405,000 of fixed rate liability, HK$205,767,000 of floating rate liability and HK$15,877,000 of interest-free liabilities, representing 0.1%, 56.4% and 4.3% 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 2018 was approximately 2.6% (31 December 2017: 0.1%).

III. Significant Investments, material Acquisition and Disposal

During the year ended 31 December 2018, the Group acquired a residential property in Macau at HK$16,000,000. Other than this the Group had not made any significant investments or material acquisition and disposal.

IV. Employment Information

As at 31 December 2018, the Group employed approximately a total of 38 employees (2017: 33). 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 2018, total staff costs (excluding Directors' emoluments) amounted to approximately HK$11,464,000 (2017: HK$8,695,000).

V. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

VI. Prospects

2019 is expected to be a year of challenges at the backdrop of a delicate economic outlook from uncertainties of Brexit and the trade disputes between China and the United States which has been dragged on since June 2018 and unnerved the global economy with uncertainties. All these factors will no doubt slow down global economic growth. Recently there has been more meetings held between the two countries aiming towards striking a deal and brings hope that the trade war would end earlier in the coming months.

Despite uncertainties in market sentiments, volatilities in the securities and foreign exchange markets and the growth rate of China is slowing down as China has now been working for quality growth instead of fast expansion, but with Hong Kong's solid economic fundamentals and active participation in the Belt and Road initiatives, we expect by cautious optimism Hong Kong's economic growth to remain stable. Meanwhile over in Macau the dampened business environment has affected the business of its gaming industry showing the first decline in accumulated gaming revenue from the beginning of the year after a consecutive growth momentum since the industry's bounce back in July 2016. But thanks to the recent openings of the Hong Kong-Zhuhai-Macao Bridge and High Speed Rail (Hong Kong section) which is expected to increase tourists arrivals and fuel the long term growth of both Hong Kong and Macao economies. Furthermore, in the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" unveiled earlier, the Central Government sketched out the development directions of the Greater Bay Area in the upcoming 15 years and named Hong Kong and Macao as two of the four "core cities" in the region. Given Hong Kong's advantages in finance and professional services while Macau is known for leisure and tourism, the development of the Greater Bay Area will bring valuable opportunities to these two economies boosting various local developments for sustainable growth and competitive edges.

Property leasing has always been core business of the Group. As overall business sentiment turned negative by end of 2018, investors have been taking a wait and see approach. Facing with property adjustment and control measures announced by HKSAR government which aim at addressing our housing issues together with changes in interest rate etc that will likely to prevail in the Hong Kong property market in the year ahead, property market may be more volatile. We believe the residential market would continue to be robust and demonstrate moderate price increase driven by limited supply and supported by relatively low mortgage rates as well as ample financing liquidity. According to market survey the industrial property has the largest upside potential with the expectation of a new round of industrial revitalization. In March this year the Group disposed a residential unit in Taikoo Shing, Hong Kong to realise its investment and enhance the financial position of the Group. In the remaining year the Group will stay vigilant in capturing market opportunities to sell our investment properties in the residential sector and consider exploring the industrial properties sector in which continuous conversion and redevelopment of industrial buildings for office, retail, hotel and residential use would sustain attractive rental and capital value increases in future. We will also consider looking into the office market with a view to acquire an office premises for the Group's self use.

Looking ahead, the Group will continue to develop existing business and enhance the asset quality as well as to improve our overall competitiveness and implement comprehensive risk management strategies in order to deliver steady growth prospects and long term value for shareholders. As in the past, we will keep up our efforts in environmental protection and community care for the betterment of the community and the interests of our 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 2018, the Group was honoured with the following awards:

– “Caring Company” by the Hong Kong Council of Social Services for 11 years in succession

– “The Hong Kong Outstanding Corporate Citizenship Logo” by the Hong Kong Productivity Council for 5 consecutive years in SME Category and for 4 consecutive years in Volunteer Team Category

– “Good MPF Employer” by Mandatory Provident Fund Schemes Authority for 4 years in succession

– “Manpower Developer” by the Employee Retraining Board in “Manpower Developer Award Scheme” for 3 consecutive years

– “Social Capital Builder” award by the Hong Kong Productivity Council for 2 years in succession

– “Family Friendly Employer” award by Home Affairs Bureau and Family Council for the first time

– “Business for Sustainability Award” by the Hong Kong Council of Social Services for the first time

– “Hong Kong Green Organisation” by Environmental Campaign Committee for the first time

The Group is always firmly committed to operating as a socially-responsible company across all of its business operations and a more detailed Corporate Social Responsibility 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 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 2018, 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 Rule**") 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 2018.

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 2018 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 Monday, 27 May 2019 to Thursday, 30 May 2019 (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 Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong by not later than 4:30 p.m. on Friday, 24 May 2019.

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, 27 March 2019

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