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 2023

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 2023 together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Notes	**2023** *HK$'000*	2022 *HK$'000*
Revenue	*3*	**53,037**	36,381
Cost of revenue		**(31,326)**	(18,920)
Gross profit		**21,711**	17,461
Other income	*3*	**4,491**	13,438
Fair value loss on financial assets at fair value through profit or loss		**(11,560)**	(11,410)
Fair value loss on investment properties		**(4,700)**	(2,800)
Administrative expenses		**(29,849)**	(36,369)
Impairment loss on right-of-use assets		**(1,508)**	(1,993)
Loss on disposal of a subsidiary		**(900)**	–
Finance costs	*5*	**(10,814)**	(5,570)
Loss before income tax	*6*	**(33,129)**	(27,243)
Income tax credit/(expense)	*7*	**4,229**	(90)
Loss for the year		**(28,900)**	(27,333)

* *For identification purposes only*

	Note	**2023**	2022
	Note	***HK$'000***	*HK$'000*
Other comprehensive income			
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		**446**	(19)
Other comprehensive income for the year		**446**	(19)
Total comprehensive income for the year		**(28,454)**	(27,352)
Loss for the year attributable to:			
Owners of the Company		**(28,736)**	(27,266)
Non-controlling interests		**(164)**	(67)
		(28,900)	(27,333)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(28,290)**	(27,285)
Non-controlling interests		**(164)**	(67)
		(28,454)	(27,352)
		HK cents	*HK cents*
Loss per share	*9*		
– Basic		**(8.81)**	(8.36)
– Diluted		**(8.81)**	(8.36)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**227,209**	226,534
Investment properties		**114,300**	128,200
Intangible assets		**2,100**	2,100
Financial assets at fair value through other comprehensive income		**807**	5,007
Deferred tax assets		**722**	449
		345,138	362,290
Current assets			
Inventories		**83**	150
Financial assets at fair value through profit or loss	*10*	**51,098**	58,940
Other receivables, deposits and prepayments	*11*	**9,728**	7,999
Amount due from non-controlling interest		**10**	10
Pledged bank deposits		**–**	86,248
Cash and bank balances		**11,690**	15,088
		72,609	168,435
Current liabilities			
Trade payables	*12*	**80**	328
Other payables and accruals		**6,184**	7,797
Amounts due to shareholders		**15,378**	15,000
Contract liabilities		**124**	70
Lease liabilities		**9,571**	5,558
Bank borrowings (secured)		**122,114**	201,181
		153,451	229,934
Net current liabilities		**(80,842)**	(61,499)
Total assets less current liabilities		**264,296**	300,791

	2023	2022
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**1,796**	5,460
Bank borrowings (secured)	**7,289**	7,710
Deferred tax liabilities	**2,737**	6,693
	11,822	19,863
Net assets	**252,474**	280,928
EQUITY		
Share capital	**65,215**	65,215
Reserves	**187,143**	215,433
Equity attributable to the owners of the Company	**252,358**	280,648
Non-controlling interests	**116**	280
Total equity	**252,474**	280,928

NOTES:

1. GENERAL INFORMATION

The consolidated financial statements of the Group have been prepared in accordance with all Hong Kong Financial Reporting Standards ("**HKFRSs**") which collectively includes 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 on 1 January 2023

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 effective for the Group's financial statements for the annual period beginning on 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

Except as disclosed below, the adoption of the above new and amendments to HKFRSs that are effective for the current reporting period did not have any significant impact on the Group's financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

Amendments to HKAS 1 require material accounting policy information to be disclosed in financial statements rather than significant accounting policies and provide additional guidance in deciding which accounting policies should be disclosed. Amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

(b) New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 ("**the Amendment Ordinance**") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("**MPF**") scheme to offset severance payment ("**SP**") and long service payments ("**LSP**") ("**the Abolition**"). Subsequently, the Government of the Hong Kong Special Administrative Region ("**HKSAR"**) announced that the Abolition will take effect on 1 May 2025 (the "**Transition Date**").

The following key changes will take effect since the Transition Date:

– Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

– The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the salary of employment termination date.

Due to the complexities of the accounting for the offsetting of employer's MPF contributions and its LSP obligation and hence the impact arising from the Abolition, in July 2023 the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" (the "**Guidance**") to provide guidance to account for the offsetting mechanism and the Abolition.

In the opinion of the directors, the Group's LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is considered immaterial for the years ended 31 December 2022 and 2023, and the application of the Guidance has no material effect on the consolidated financial statements of the Group.

(c) New or revised HKFRSs that have been issued but are not yet effective

The following interpretation or amendment to HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "**2020 Amendment**")[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "**2022 Amendments**")[1]
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback[1]

[1] Effective for annual periods beginning on or after 1 January 2024

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 effect of these interpretation and amendments to HKFRSs on the Group's results and financial position in the first year of application. The directors consider that those interpretation and amendments to HKFRS 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 AND OTHER INCOME

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

	2023	2022
	HK$'000	*HK$'000*
Revenue		
Rendering of hair styling services and related product sales	**15,832**	15,085
Securities investments	**2,935**	3,018
Hospitality services income	**31,393**	14,437
Gross rental income from investment properties	**2,796**	3,821
Interest income from money lending	**81**	20
	53,037	36,381
Other income		
Bank interest income	**2,512**	1,987
Dividend income from listed investments classified as financial assets at FVOCI	**259**	273
Exchange gain	**992**	–
Gain on disposal of property, plant and equipment	**–**	7,462
Government subsidies *(Note)*	**–**	2,266
Sundry income	**728**	1,450
	4,491	13,438

Note: In 2022, among the government subsidies, an amount of HK$911,000 was government grants obtained from the Employment Support Scheme ("**ESS**") under the Anti-epidemic Fund launched by the Government of the Hong Kong Special Administrative Region supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group has complied with the requirements set out in the ESS for the year ended 31 December 2023.

4. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors 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 six operating segments:

Hair styling	–	Provision of hair styling and related services and product sales 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 and for potential capital appreciation in both Macau and Hong Kong
Securities investments	–	Investing in listed equity securities in Hong Kong and equity-linked investments in Hong Kong
Hospitality services	–	Provision of hospitality services in Hong Kong
Property project management	–	Provision of property related project management service

Segment revenue and results

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

	Segment revenue		**Segment results**	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**15,832**	15,085	**(1,275)**	(295)
Money lending	**81**	20	**1**	(2)
Property investments	**2,796**	3,821	**(10,539)**	(7,076)
Securities investments	**2,935**	3,018	**(8,625)**	(8,391)
Hospitality services	**31,393**	14,437	**3,540**	3,721
Property project management	**–**	–	**8**	(75)
	53,037	36,381	**(16,890)**	(12,118)
Unallocated income			**3,256**	11,338
Exchange gain/(loss), net			**992**	(7,735)
Corporate staff costs			**(6,549)**	(7,330)
Other corporate and unallocated expenses			**(13,938)**	(11,398)
Loss before income tax			**(33,129)**	(27,243)

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 excluded certain bank interest income, dividend income from financial assets at FVOCI and net exchange gain/loss which arise from assets that are managed on a group basis. Segment results also excluded 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

	2023	2022
	HK$'000	*HK$'000*
Segment assets		
Hair styling	**4,895**	10,129
Money lending	**2,255**	2,157
Property investments	**119,555**	133,151
Securities investments	**52,233**	58,953
Hospitality services	**226,861**	219,354
Property project management	**18**	19
Total segment assets	**405,817**	423,763
Deferred tax assets	**722**	449
Financial assets at FVOCI	**807**	5,007
Pledged bank deposits	**–**	86,248
Short-term bank deposits	**4,000**	3,000
Other corporate and unallocated assets	**6,401**	12,258
Consolidated total assets	**417,747**	530,725
Segment liabilities		
Hair styling	**5,863**	8,860
Money lending	**17**	10
Property investments	**14,104**	14,333
Hospitality services	**37,517**	34,120
Property project management	**5**	30
Total segment liabilities	**57,506**	57,353
Deferred tax liabilities	**2,737**	6,693
Bank borrowings (secured)	**87,895**	164,819
Other corporate and unallocated liabilities	**17,135**	20,932
Consolidated total liabilities	**165,273**	249,797

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

– all assets are allocated to reportable segments other than deferred tax assets, financial assets at FVOCI, pledged bank deposits and 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 and certain bank borrowings which are managed on group basis, and other corporate and unallocated liabilities.

Other segment information

	Interest income		Fair value loss on investment properties		Finance costs		Loss on disposal of a subsidiary		Additions to specified non-current assets		Depreciation	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**9**	1	**–**	–	**259**	167	**–**	–	**6**	54	**2,555**	2,492
Money Lending	**1**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Property investments	**3**	1	**(4,700)**	(2,800)	**441**	303	**(900)**	–	**10**	–	**164**	167
Hospitality services	**5**	–	**–**	–	**2,281**	1,015	**–**	–	**8,149**	2,200	**8,846**	2,142
	18	2	**(4,700)**	(2,800)	**2,981**	1,485	**(900)**	–	**8,165**	2,254	**11,565**	4,801
Unallocated	**2,494**	1,985	**–**	–	**7,833**	4,085	**–**	–	**9**	2,331	**509**	1,713
Total	**2,512**	1,987	**(4,700)**	(2,800)	**10,814**	5,570	**(900)**	–	**8,174**	4,585	**12,074**	6,514

During the year ended 31 December 2023, an impairment loss on right-of-use assets amounted to HK$1,339,000 (2022: HK$1,264,000) and HK$169,000 (2022: HK$729,000) were recognised for the segment of hair styling, segments of securities investment and property project management respectively.

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	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**263,439**	274,510	**51,441**	33,934
Macau	**80,170**	82,324	**1,596**	2,447
	343,609	356,834	**53,037**	36,381

Information about a major customer

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2023 and 2022.

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by operating segments and timing of revenue recognition. Revenue from other sources are analysed in the table.

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Timing of revenue recognition – Over time		
Hair styling services	**15,277**	14,440
Hospitality services	**31,393**	14,437
Timing of revenue recognition – At a point in time		
Product sales under hair styling services	**555**	645
Revenue from other sources		
Rental income	**2,796**	3,821
Interest income from money lending	**81**	20
Securities investments	**2,935**	3,018
	53,037	36,381

5. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest charges on bank loans	**9,896**	5,193
Interest charges on lease liabilities	**918**	377
	10,814	5,570

6. LOSS BEFORE INCOME TAX

	2023	2022
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	**550**	724
Depreciation:		
Property, plant and equipment	**1,268**	432
Right-of-use assets:		
– Leasehold land and buildings (owned assets)	**1,165**	1,189
– Other properties leased for own use (under lease arrangement)	**9,641**	4,893
Exchange (gain)/loss, net	**(992)**	7,735
Employee benefit expenses (including Directors' emoluments)	**23,981**	22,725
Rentals received/receivable from investment properties less direct outgoings of HK$356,000 (2022: HK$458,000)	**(2,440)**	(3,363)
Short-term leases expenses	**456**	456

7. INCOME TAX CREDIT/(EXPENSE)

	2023	2022
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax	**–**	–
Deferred tax credit/(expense)	**4,229**	(90)
	4,229	(90)

The Group is subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No Hong Kong Profits Tax has been provided in the financial statements as the Group did not derive any estimated assessable profits in Hong Kong for the current and prior years.

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% (2022: 12%).

8. DIVIDENDS

The directors do not recommend a payment of final dividend for the year ended 31 December 2023 (2022: nil).

9. LOSS PER SHARE

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

	2023	2022
	HK$'000	*HK$'000*
Loss for the year		
Loss attributable to owners of the Company	**(28,736)**	(27,266)
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**326,077**	326,077

For the purposes of calculating diluted loss per share for the years ended 31 December 2023 and 2022, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect on the basic loss per share.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	HK$'000	*HK$'000*
Listed equity investments held for trading, at fair value	**51,098**	58,940

Financial assets at FVTPL represents listed equity investments held for trading, at fair value.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	HK$'000	*HK$'000*
Other receivables	**1,868**	859
Prepayments	**725**	911
Deposits	**4,290**	4,158
Loan receivables	**2,845**	2,071
	9,728	7,999

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:

	2023	2022
	HK$'000	*HK$'000*
0-30 days	**64**	243
31-60 days	**16**	58
61-90 days	**–**	27
	80	328

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

General Performance

During the year under review, the Group's net loss increased by 6% to approximately HK$28,900,000 after netting the effects for (i) increase in gross profit of approximately HK$4,250,000 compared to 2022; (ii) gain on disposal of property of HK$7,462,000 in 2022 against a HK$900,000 loss on property disposal through disposing a subsidiary in 2023; (iii) government subsidies of HK$2,266,000 were received in 2022 but not in 2023; (iv) increase in fair value loss on investment properties of HK$1,900,000 compared to the previous year; (v) exchange gain of HK$992,000 in the year instead of unrealized RMB exchange loss of HK$7,735,000 the year before; (vi) income tax credit of HK$4,229,000 in the year under review versus income tax expense of HK$90,000 the year before; and (vii) increase in finance costs of HK$5,244,000 relative to the year before.

The Group's revenue increased by approximately 46% to HK$53,037,000 in 2023 while gross profit increased by approximately 24% to HK$21,711,000. Both the increases were mainly attributed to the hospitality business segment.

Other income decreased by 67% to HK$4,491,000. It was mainly due to the absence this year of gain on disposal of warehouse property of HK$7,462,000 and government subsidies of HK$2,266,000 including the employment support scheme under the Anti-epidemic Fund launched by the HKSAR government supporting the payroll of the Group's employees in the year before. The reduction in aggregate was partially offset by the exchange gain of HK$992,000 for the year under review.

Finance costs increased by HK$5,244,000 was due to the progressively higher and higher HIBOR interest rate since July 2022. The administrative expenses decreased by HK$6,520,000 to HK$29,849,000 mainly attributed to the absence of unrealized exchange loss on RMB deposits of HK$7,735,000 in 2023 versus 2022. Taking out the unrealized RMB exchange loss, the administrative expenses were increased approximately 4% year-on-year mainly attributed to add on administrative expenses incurred by the newly added hotel business in the year under review.

As at 31 December 2023, the Group's net asset value was approximately HK$252,474,000 and net asset value per share was approximately HK$0.77. The Group's total assets and total liabilities were approximately HK$417,747,000 and HK$165,273,000 respectively.

In 1Q2023 with COVID-19 fading into the background, economic activities started picking up. Driven largely by the recovery of inbound tourism and the return of major conferences and events, GDP of Hong Kong and Macau grew year-on-year by 3.2% and 80.5% respectively. In the beginning of the year the Group added a new location in our hospitality service portfolio to capitalize on the ripple effect from the tourism recovery. As a result the Group's revenue as well as gross profit remarkably increased for the year. Nonetheless, the ongoing headwinds from weak global demand and tightened monetary conditions had limited the full rebound in tourism after the pandemic.

During the year economic recovery was stalling and consumer confidence was severely affected with negative wealth effect from the sluggish real estate market. Property prices, in particular, prices in the residential secondary market have trended downwards in the continued high interest environment with 11 US interest rate hikes totalling 5.25 percentage points that spanned March 2022 to July 2023. As of year end, all our residential investment properties incurred fair value loss for which geographically Macau accounted for about 43% of the total valuation loss. Real estate sectors call for the Macau SAR government to remove the cooling measures entirely to salvage the fragile real estate market.

In the past year inflationary pressure on operating expenses and high interest rates negatively impacted our bottom line financial performances. Finance cost had almost doubled during the year from the high cost of capital even though part of our bank loan secured on bank deposits was repaid upon maturity of the bank deposits as interest expense incurred outweighed the interest income earned.

Overall this fiscal year has been full of challenges on the road to recovery, amongst others, the weak Renminbi against HKD that is pegged to the strong USD undermined the purchasing power of the Mainland visitors being a major component of visitor arrivals in Hong Kong. On the other hand, the spending leakage as a result of northbound travel to the nearby Mainland cities also poses a threat to the local retail industry and fallout in other sectors.

Property Investments Business

During the year under review, total rental income contributed from Hong Kong and Macau investment properties amounted to HK$2,796,000, decreased by approximately 27% compared to the year before. This was mainly attributed to vacancies of a Macau retail shop and one Taikoo Shing property since 2Q2023 after their respective leases were early terminated or expired. Return from leasing the investment properties was about 3% comparing the gross rental income and original cost of investments. Valuation loss on the investment properties of HK$4,700,000 increased the segment loss to HK$10,539,000 for the year under review and total valuation of the investment properties dropped to HK$114,300,000 as at the year end 2023.

In Hong Kong total rental income derived from the Group's retail shop in Sheung Wan and residential units in Taikoo Shing decreased approximately 13% to HK$1,200,000 with investment yield being approximately 5% when compared gross rental income to original cost of investment. The decreased rental income was mainly due to the loss of rental income from a Taikoo Shing investment property that was disposed during the year.

Rental income from Macau properties decreased by approximately 35% to HK$1,596,000, it was mainly due to vacancy of a retail shop after the lease was early terminated in February 2023 on request by the tenant. There is one office unit which has been vacant for about three years from the pandemic. An average yield of about 3% comparing the gross rental income and original cost of investments on Macau properties was recorded.

Both the Hong Kong and Macau real estate markets in which the Group's investment properties are located encountered numerous headwinds in 2023 including weaker than anticipated recovery in inbound tourism and high interest rates. These factors led to significant exodus of investors from the market. Businesses were pushed to prioritise cost savings instead of expansion while residential demand had been dampened with increased borrowing costs. In December, a 2 year lease was secured on the Macau retail shop at rental only half of the pre-pandemic level after almost 10 months' vacancy. Over in Hong Kong in 2H2023 the Group grappled with a loss of HK$900,000 upon disposal of a Taikoo Shing investment property via company transfer at the time when residential property prices started to recorded a decline. There was no acquisition of investment properties during the year under review.

At the moment the high cost of capital, ongoing geopolitical tensions and outbound consumer spending as Hong Kong and Macau residents increasingly travel across the border for shopping or dining for good value for money are expecting to hinder the economic growth in the near term. However there is still hope for gradual recovery in the property market. In the recent 2024-2025 Budget, the HKSAR government removed all cooling measures for residential properties and raised maximum loan to value ratio for property mortgage loans with immediate effect. After the policy change, Hong Kong's new home sales surged 10 times in the first five days after removal of the cooling measures compared with two months ago, according to Midland Realty. In the second hand market, the city's 10 biggest estates saw transactions jumped to the highest in more than a year over the weekend. The Macau SAR government also took similar initiatives earlier this year in an effort to spur the sluggish property market. Looking ahead, the potential cuts in interest rate and the demand stemmed from the various talent admission schemes are good signs to the property market momentum and capital growth in our investment properties will sustain. The timing and pace of the property market recovery remains uncertain, meanwhile the Group will focus on attracting and retaining high quality tenants and ensure a consistent flow of rental income.

Hair Styling Business

Turnover of this segment increased by approximately 5% to HK$15,832,000 when compared to 2022 of which turnover on service income increased 6% and product sales decreased 14%. Segment net loss was increased to HK$1,275,000 compared to net loss of HK$295,000 for the year before. This was mainly due to net off of (i) increase in revenue (ii) impairment loss on right-of-use assets of HK$1,339,000 (iii) government subsidies of HK$377,000 received in the year before but not in the year under review and (iv) increase in depreciation on right-of-use assets and staff cost.

The increase in revenue was due to the relatively lower base in 2022 when the hair salon suspended business for about a month to implement the government's preventive anti-epidemic measures. In fact revenue in the 2H2023 decreased as one of our senior hair stylists contributing a substantial amount to our income base left the Group. Product sales also recorded a declining trend as some customers could have shifted to hair products of lower prices amidst the slower than expected recovery of the economy. Alongside labour shortages and rising labour cost, in particular juniors with a high turnover rate, continued to impact our operations.

Going forward, the Group will continue to keep up with the market trend and explore new business opportunities and widen the Group's revenue stream from both existing and potential customers. Our customer base consists of higher-end middle-aged individuals seeking superior hair care services. The expansion of hair extension services with a variety of hair products including those addressing hair loss issue due to age or other external factors will offer them additional hair style options and helps rejuvenate their appearances. Alongside with the continuing evolution and modification of business strategies to develop our existing businesses, the Group will proactively explore and exploit every potentially profitable business, including but not limited to collaboration with strategic partners in the hair goods industry as the opportunity arises.

Hospitality Service Business

Turnover of the segment increased 117% to HK$31,393,000 with segment profit of HK$3,540,000. Increase in turnover was mainly attributed to increase in revenue of two existing guesthouses and hostels and a hotel with 22 rooms in Yau Ma Tei was added to our portfolio in January this year. Turnover of both Sheung Wan guesthouse and North Point hostel increased 76% and 47% respectively compared to the year before. Average daily rate for Sheung Wan guesthouse and North Point hostel increased 73% and 46% respectively compared to 2022 during the pandemic while maintaining the high occupancy rate of about 90%. The newly operated Yau Ma Tei Hotel commanded higher room rate being unique in the market for its sizeable rooms fitted with a separated seating area and a kitchenette to target a niche in family travellers. Other than contributing to the segment revenue the overall average daily rate increased 99% year on year. Decrease in segment profit was mainly attributed to the absence in the year under review of government subsidies amounted to HK$943,600 received during the pandemic in 2022. Without the government subsidies of HK$943,600, the segment profit increased 27% in comparison with the 2022 pandemic year. The financial improvement in the segment is encouraging considering (i) segment related finance cost increased by about 125% in between the two years due to high interest rate (ii) non routine repair and maintenance expenditure was incurred during the reviewing year to touch up and upgrade fixtures and fittings in some of the rooms and (iii) Yau Ma Tei operation did not make positive contribution given it was still in the start up stage to put a team together and optimize the operation.

Along with the China border opening and the gradual growth in conference, trade shows and events, the Hong Kong Tourism Board ("**HKTB**") announced 34 million full year visitor arrivals in Hong Kong in 2023 compared to just 0.6 million in 2022. The average number of daily visitor arrivals has rebounded to over 50% of the pre-pandemic level. Statistically the Mainland remained the largest source market for Hong Kong while the South East Asian markets recovered the most quickly. By travel purpose, number of MICE (Meetings, Incentives, Conferences and Exhibitions) travellers recovered to about 70% of that before the pandemic, suppressing the leisure segment and making it the fastest recovering segment. These increases fuelled the rising occupancy and average room rate letting growth in revenue in this business segment.

In the past year, HKTB focussed on reconnecting Hong Kong with visitors around the world and drive the steady recovery of Hong Kong's tourism. A series of mega events were brought back to strengthen the positive ambience locally and campaigns like "Hello Hong Kong" and "Night Vibes Hong Kong" were promoted to revitalise tourism and spending. Upcoming HKTB will continue to capitalize on the latest global travel trends and consumer demand, conducting targeted promotions in various visitor source markets to boost travellers' interest to visit Hong Kong. The city is getting ready to welcome a new wave of Mainland tourists as Qingdao and Xian were recently added to list of eligible cities under Individual Visit Scheme. Even with all those government's initiatives to promote tourism, recovery in the hospitality industry will still be hindered in the near term from staffing shortages in the aviation sector, rising energy cost and high travel cost given until now flight capacity is still far below pre-pandemic level. Local staycation demand has softened with many locals spending on short haul trips to popular destination like Japan and across the border in Shenzhen and other cities in the Greater Bay Area. To further amplify the challenges, many inbound Mainland visitors elected to spend the day in Hong Kong but not the night acutely aware of the wide disparity of room rates in the city versus across the border. With that said, however if Hong Kong is compared to global gateway cities say Rome, Paris, London, Tokyo and New York, there is still ample runway for its rates to increase. This probably suggests a fine balance is needed to address the competitiveness, sensitivity and attractiveness of the city's hotels at various consumer price points to address the needs of both Mainland and international guests.

Operational efficiency and increase in revenue growth will continue to be top priorities for the business segment for 2024. We foresee future growth will be arduous because of increasing competition among the players in the market as well as changing guest preferences for instance, growing number of guests favour Environment, Social and Governance ("**ESG**") supportive hotels. We are in an era of a different type of travellers, one who is more informed and demanding. As hotel operators, we are becoming increasingly aware of the need to embrace sustainability and broader ESG principals in the business and to implement ESG measures within our capabilities to demonstrate our commitment to environmental standards, energy and water efficiency and waste management.

Securities Investments

In January 2023, the Hong Kong stock market reached its peak for the year, as hopes for reopening boosted investors' sentiment. However the market was on a downward trend for the remainder of the year due to several factors. Initially, uncertainties arising from the US regional banking crisis and the outlook for Federal Reserve rates impacted market confidence. Later concerns over Beijing's crackdown on the tech sector and a prolonged property slump as well as a slowdown in production activity and consumption further exacerbated the market's decline. In 2023 Hang Seng Index was down by 14% and market turnover of securities market at Hong Kong Stock Exchange decreased by about 16% compared to the previous year. Hong Kong stock market ended 2023 as one of the year's worst performers. The fair value loss for the year under review increased 1% to HK$11,560,000 on the securities investments held as at year end.

As at 31 December 2023, the Group had financial assets at fair value through profit or loss of approximately HK$51,098,000 (31 December 2022: HK$58,940,000). The securities investments portfolio comprised of Hong Kong blue chips and REITs with reasonable yield on dividend income and good liquidity. Dividend income from securities investments amounted to HK$2,935,000 was recorded in the reviewing year. Hong Kong's stock property is presently grossly undervalued. Many stocks that have healthy outlook and which offer an attractive dividend have a price-to-earnings ratio that is very low by international standards. Conventionally high interest rate has downward pressure on asset prices including securities. When the business environment of China and Hong Kong improves and interest rate reduces, prices of the Group's securities investment will eventually rise to reflect its intrinsic value.

The Group's significant investments (i.e. investment with carrying amount exceeding 5% of the total assets of the Group) held as at 31 December 2023 are as follows:

Company name/ (stock code)	No. of shares held	Approximate percentage held to the total issued share capital of the company/ investment	Investment cost/cost of acquisition	Dividend income for the year ended 31 December 2023	Fair value loss for the year ended 31 December 2023	Fair value at 31 December 2023	Approximate percentage of total assets of the Group at 31 December 2023
		%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*%*
Link Real Estate Investment Trust (823)	846,117	0.033%	71,220	2,095	(9,533)	37,102	8.9%

Note 1: Link Real Estate Investment Trust is a Hong Kong-based real estate investment trust (Link REIT). The investment objectives of Link REIT are to deliver sustainable growth and to create long-term value for its unit holders. It invests and manages a diversified portfolio of properties, including retail facilities, car parks, offices and logistics centres spanning from China's tier one cities (Beijing, Shanghai), Greater Bay Area (Hong Kong, Guangzhou and Shenzhen) to Singapore, United Kingdom's London and Australia's Sydney and Melbourne.

Note 2: During the year 2023, the Group acquired 141,019 units by rights subscription.

Note 3: The Group will hold the investment for dividend income and to reduce the investment when the unit price increases to a reasonable level.

Property Project Management Business

During the year under review, no income was recorded and there was no project completed or in progress due to the failure to secure renovation projects from new home buyers amid the very sluggish property market. Segment incurred a profit of HK$8,000 after the write back in 2023 of professional expenses overprovided in the previous year.

As the economy and the property market further recover, we strive to revive the business segment by collaborating with local renowned architect/interior designer to explore into new projects.

Other Business Segments

The Group engaged in the money lending business through an indirect wholly owned subsidiary, Century Legend Finance Limited ("**CLF**"), which holds a money lenders licence under the Money Lenders Ordinance to carry out money lending business in Hong Kong. During the year under review, the money lending business recorded turnover of HK$81,000 and segment profit was HK$1,000.

In 2023 CLF entered into three unsecured personal loans amounted to HK$2,560,000 in aggregate out of which HK$2,000,000 was a loan renewed upon maturity and the borrower repaid HK$300,000 subsequent to the renewal. As at year ended 31 December 2023 the Group had not incurred any impairment on the outstanding loan receivable.

We expect operation in this segment to be minimal and customers served are normally on referral basis with careful consideration to credit risk exposure. Management has formulated a fundamental policy to establish its internal control systems. The Group would adopt a prudent approach and conduct regular reviews of the composition of the loan portfolio and lending rates charged to each customer to maximize the return of the money lending business and diversify the credit risks. Funding for the money lending business is by the Group's internal resources.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2023, the Group had a cash and bank balance of HK$11,690,000 and net current liabilities of HK$80,842,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2023 was approximately 0.47 (31 December 2022: 0.73).

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

During the year, certain property, plant and equipment and certain investment properties of the Group were pledged to two banks to secure the bank borrowing of approximately HK$129,403,000, 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 2023 (31 December 2022: Nil). There is no capital commitments as at 31 December 2023 (31 December 2022: Nil).

II. Capital Structure of the Group

As at 31 December 2023, the Group had total equity of HK$252,474,000, fixed rate liability of HK$11,367,000, floating rate liability of HK$129,403,000 and interest-free liabilities of HK$24,503,000, representing 5%, 51% and 10% 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 2023 was approximately 4% (31 December 2022: 5%).

III. Significant Investments, Material Acquisition and Disposal

During the year ended 31 December 2023, the Group disposed a wholly-owned subsidiary which holds a Taikoo Shing investment property at consideration of HK$8,300,000 and recorded loss on disposal of HK$900,000.

IV. Employment Information

As at 31 December 2023, the Group employed approximately a total of 44 employees (2022: 45). 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 2023, total staff costs (excluding Directors' emoluments) amounted to approximately HK$13,005,000 (2022: HK$11,710,000).

V. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

VI. Dividend Policy

When considering the declaration and payment of dividends, the Board needs to consider potential opportunities and risks existing in the Company's operation and development as well as assess various factors, regardless of whether they are financial or operational, internal or external, in the past or the future, microeconomic or macroeconomic. The payment of dividends will be made at the discretion of the Board. The Board may decide the frequency of dividend payment and further declare or recommend any special distributions. Dividend may be declared or paid by way of cash or scrip or by other means that the Board considers appropriate. The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of Bermuda and the Company's Bye-laws. The Board will conduct supervision and review from time to time and there can be no assurance that dividend will be paid in any particular amount for any given period. The Board shall discuss amendments to this policy when necessary.

PROSPECTS

Geopolitical tensions and weaken global economic growth momentum will continue to impact the global market in 2024. Macroeconomic headwinds lie ahead with uncertainties include the the ongoing unresolved warfare between Russia and Ukraine and in addition, the outbreak of Israel-Hamas war in October 2023. The latter conflict led to humanitarian crisis and protests to call for a ceasefire occurred across the world. There have been speculations about the potential for the conflict to expand and escalate into a region wide conflict to plunge global economy through reduced regional commerce, escalated energy costs and diminished consumer assurance. Globally, with 2024 being the biggest election year in history, the drag of political uncertainty worldwide on economy remains and may persist throughout the year. Meanwhile structural issues continue to affect China's economy and Beijing has recognized overcapacity as a major challenge for 2024 with US & European Union anti-dumping probes and tariffs disrupting trades. But recently there has been an acceleration of stimulus rollouts by the Mainland Government and sets 2024 GDP growth target of about 5% which is viewed as both necessary and feasible.

At home the capital market was subdued in 2023 mainly attributable to sharp interest rate hike and the slower than expected economic recovery. At the start of this year there was more optimism on early rate cuts by the Fed until Fed Chair, Jerome Powell, reiterated in early March that he expected interest rates to start coming down this year but was not ready yet to say when. After a two day meeting held, the Fed announced on 20 March 2024 that rates would be unchanged at 5.25%-5.5% where they have been since July last year but signalled it still expects to cut rates three times this year. Therefore the wider view of the market now is that interest rates have peaked and stabilized for the moment before gradually declining in the 2H2024. While the pace of interest cuts this year remains the primary focus in the market, meanwhile the current high interest charges will continue to weigh on the Group's bottom line financial performance overshadowing improvements made in our business operations as we forge ahead.

Looking ahead, both Hong Kong and Macau economies are expected to remain positive in 2024 powered by the ongoing resurgence of tourism and the government's continued economic stimulus. Hong Kong Financial Secretary, Paul Chan, said he expected the economy to grow 2.5%-3.5% this year as he announced certain measures to bolster a flagging property market to support the economy. A remark from the Secretary for Economy & Finance of Macau, Lei Wai Nong, was cited that Macau's GDP growth in 2024 to reach about 10%, representing a recovery to about 90% of the 2019 level. In each of the cities' respective policy address for 2024, amongst various fiscal measures to revitalise the local economy and improve people's livelihoods, great emphasis has been placed to promote Hong Kong and Macau tourism. Over 80 mega events in a variety of themes and genres will be staged in Hong Kong in 1H2024 and HKD100 million is earmarked to boost mega event promotions over the next 3 years. One of the highlights is for Hong Kong, Guangdong Province and Macau to cohost the 15th National Games in 2015. Similarly the Macau SAR government will spend an estimated MOP235 million this year to attract international visitors to Macau by actively promoting Macau in overseas destinations through roadshows and subsidizing airline tickets to Macau. Moreover the continued development of infrastructure will improve access to Macau and movement within Macau for leisure and tourism visitors. With all these government initiatives to boost tourism, the wishful thinking is that the Group's hospitality service business in Hong Kong will benefit with improving segment results and also give data support into the feasibility study of expanding the hospitality service business in Macau.

It is hoped and expected that the economies in Hong Kong and Macau would gradually recover in 2024 but the state of the macro environment still poses uncertainties over the pace of recovery. The Group is cautious about the market outlook and exercises due care in exploring new business opportunities while strengthening existing business. It is believed that that through the efforts of all employees, the Group will overcome the current difficult operating environment.

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 environment 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 2023, the Group was honoured with the following awards:

– “Caring Company” by the Hong Kong Council of Social Services for 16 years in succession

– “Good MPF Employer” by Mandatory Provident Fund Schemes Authority for 9 years in succession

– “Manpower Developer” by the Employee Retraining Board in “Manpower Developer Award Scheme” for 5 consecutive sessions

– “Social Capital Builder” award by the Hong Kong Productivity Council for 5 continuous sessions

– “Hong Kong Green Organization” accredited by Environmental Campaign Committee since January 2018

– accredited as “Happy Company” (organized by Hong Kong Promoting Happiness Index Foundation and Hong Kong Productivity Council) since May 2020 and have committed to develop corporate caring, wisdom, toughness and motivation so as to provide a happy workplace for staff

– Hong Kong Awards Environment Excellence by Environmental Campaign Committee for pursuit of environmental initiatives and participation since 2019

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 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 2023, 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.

Under Code provision C.1.6, independent non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. HUI Yan Kit and Mr. Wu BinQuan (being independent non-executive directors) were unable to attend the annual general meeting held on 2 June 2023 due to other business engagements. At the same time under code provision F.2.2, the chairman was unable to attend the annual general meeting held on 2 June 2023 due to some personal unforeseeable situation.

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 2023.

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 2023 as set out in this 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 and consequently no opinion and assurance conclusion has been expressed by BDO Limited on this 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 Wednesday, 29 May 2024 to Monday 3 June 2024 (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 Tuesday, 28 May 2024.

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 2024

As at the date hereof, the board of directors of the Company comprises of seven directors, of which three are executive directors, namely Mr. Tsang Chiu Mo Samuel (Executive Chairman), Ms. Tsang Chiu Yuen Sylvia and Ms. Chu Ming Tak Evans Tania; and four are independent non-executive directors, namely Mr. Hui Yan Kit, Mr. Lau Pui Wing, Ms. Ho Ting Mei and Mr. Wu BinQuan.