

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



(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 (Unaudited) HK\$'000	2015 (Unaudited) (Represented) HK\$'000
Continuing operations			
Revenue	2	13,237	16,826
Cost of sales		(4,516)	(4,678)
Gross profit		8,721	12,148
Other income		4,562	3,651
Fair value (loss)/gain on financial assets at fair value through profit or loss		(215)	879
Fair value gain on investment properties		–	3,500
Gain on disposal of a subsidiary	5	5,854	–
Administrative expenses		(19,807)	(14,067)
Finance costs		(2,427)	(2,455)
(Loss)/Profit before income tax	3	(3,312)	3,656
Income tax expense	4	–	–
(Loss)/Profit for the period from continuing operations		(3,312)	3,656
Discontinued operation			
Profit for the period from discontinued operation	5	116	438
(Loss)/Profit for the period		(3,196)	4,094

* For identification purposes only

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Continued)

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
		(Represented)
<i>Notes</i>	HK\$'000	HK\$'000
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Revaluation of available-for-sale financial assets	<u>(1,685)</u>	<u>1,830</u>
Other comprehensive income for the period	<u>(1,685)</u>	<u>1,830</u>
Total comprehensive income for the period	<u>(4,881)</u>	<u>5,924</u>
(Loss)/Profit for the period attributable to owners of the Company:		
– from continuing operations	(3,592)	3,144
– from discontinued operation	<u>116</u>	<u>438</u>
	<u>(3,476)</u>	<u>3,582</u>
Profit for the period attributable to non-controlling interests	<u>280</u>	<u>512</u>
(Loss)/Profit for the period	<u>(3,196)</u>	<u>4,094</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(5,161)	5,412
Non-controlling interests	<u>280</u>	<u>512</u>
	<u>(4,881)</u>	<u>5,924</u>
(Loss)/Earnings per share attributable to the owners of the Company	7	
From continuing and discontinued operations		
– Basic	<u>HK (1.12) cents</u>	<u>HK 1.17 cents</u>
From continuing operations		
– Basic	<u>HK (1.16) cents</u>	<u>HK 1.03 cents</u>
From continuing and discontinued operations		
– Diluted	<u>HK (1.12) cents</u>	<u>HK 1.09 cents</u>
From continuing operations		
– Diluted	<u>HK (1.16) cents</u>	<u>HK 0.95 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	<i>Notes</i>	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		3,143	3,169
Investment properties		313,400	313,400
Prepaid land lease payments		3,638	3,700
Available-for-sale financial assets		16,444	18,129
Loans receivable		18,431	36,987
		355,056	375,385
Current assets			
Inventories		50	53
Prepaid land lease payments		123	123
Financial assets at fair value through profit or loss		4,608	4,896
Trade and other receivables and prepayments	8	9,756	13,717
Loans receivable		19,543	1,943
Trust bank balances held on behalf of customers		–	11,318
Pledged bank deposits		117,629	118,736
Cash and bank balances		125,262	131,977
		276,971	282,763
Current liabilities			
Trade payables	9	85	14,025
Other payables and accruals		5,708	11,746
Obligations under finance leases		152	203
Bank borrowings (secured)		246,285	247,351
Tax payable		103	103
		252,333	273,428
Net current assets		24,638	9,335

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

As at 30 June 2016

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Total assets less current liabilities	379,694	384,720
Non-current liabilities		
Obligations under finance leases	273	338
Deferred tax liabilities	3,303	3,303
	3,576	3,641
Net assets	376,118	381,079
EQUITY		
Share capital	61,941	61,941
Reserves	310,176	315,325
Equity attributable to the owners of the Company	372,117	377,266
Non-controlling interests	4,001	3,813
Total equity	376,118	381,079

NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 30 June 2016

1. Basis of preparation and principal accounting policies

(a) *General information*

Century Legend (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The Company is principally engaged in investment holding. The principal activities of its subsidiaries are property investments, operation of a hair salon under the brand name of “Headquarters”, provision of commercial and personal loans.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated financial statements were approved and authorised for issue by the directors on 25th August 2016.

(b) *Basis of preparation*

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2015.

During the six months ended 30 June 2016, the Company disposed of its entire equity interest in Century Legend Securities Limited, which was a wholly-owned subsidiary of the Company principally engaged in provision of stock broking services in Hong Kong and is included in the operating segment of stock broking. This segment has been presented as discontinued operation in accordance with HKFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”. Accordingly, certain comparative figures in the condensed consolidated statement of comprehensive income and the related notes have been represented so as to reflect the results of the continuing operations and discontinued operation. Details of the discontinued operation are set out in note 5.

(c) *Principal accounting policies*

The unaudited condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair value.

The unaudited condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2015, except as described below.

1. Basis of preparation and principal accounting policies (Continued)

(d) Adoption of new or revised standards

In the current interim period, the Group has applied, for the first time, all of the new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated interim financial statements:

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

The application of the above new or revised HKAS and HKFRSs has had no material effect on the Group’s financial statements.

(e) New or revised standards that are not yet effective and have not been early adopted by the Group

The new standards and amendments to standards, potentially relevant to the Group’s financial statements, have been issued, but not yet effective for the financial year beginning on 1 January 2016 and have not been early adopted by the Group. The Group is in the process of making an assessment of the potential impact of these new or revised standards.

2. Revenue and segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group’s executive directors for their decisions about resources allocation to the Group’s business components and review of these components’ performance. The business components in the internal reporting to the executive directors, the chief operating decision-makers, are determined following the Group’s major product and service lines. The Group has identified the following reportable segments for its operating segments.

Continuing operations

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

Discontinued operation

Stock broking	– Provision of stock broking services in Hong Kong
---------------	----------------------------------------------------

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

2. Revenue and segment information (Continued)

Segment revenues and results

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

	Segment revenue		Segment (loss)/profit	
	Six months ended 30 June			
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Represented)	(Represented)	(Represented)	(Represented)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Property investments	3,900	7,195	(3,523)	3,237
Hair styling	8,519	8,910	790	1,214
Money lending	818	721	624	460
	<u>13,237</u>	<u>16,826</u>	<u>(2,109)</u>	<u>4,911</u>
Unallocated other income			2,015	2,003
Exchange losses, net			(4,993)	(185)
Fair value (loss)/gain on financial assets at fair value through profit or loss			(215)	879
Gain on disposal of a subsidiary			5,854	–
Corporate staff costs			(1,981)	(1,791)
Other corporate and unallocated expenses			<u>(1,883)</u>	<u>(2,161)</u>
(Loss)/Profit before income tax			<u>(3,312)</u>	<u>3,656</u>

Revenue reported above represented revenue generated from external customers.

Segment results represents the loss incurred/profit earned by each segment without allocation of central administration costs. Segment results exclude certain interest income, dividend income, exchange losses and fair value change on financial instruments which arise from assets which are managed on a group basis and gain on disposal of a subsidiary. Segment results also exclude corporate staff costs and corporate expenses. This is the measure reported to executive directors for the purposes of resource allocation and assessment of segment performance.

2. Revenue and segment information (Continued)

Segment assets and liabilities

	As at 30 June 2016 (Unaudited) <i>HK\$'000</i>	As at 31 December 2015 (Unaudited) (Represented) <i>HK\$'000</i>
Segment assets		
Continuing operations		
Property investments	326,275	324,468
Hair styling	5,247	5,139
Money lending	38,401	39,265
	<u>369,923</u>	<u>368,872</u>
Discontinued operation		
Stock broking	–	31,987
	<u>–</u>	<u>31,987</u>
Total segment assets	<u>369,923</u>	<u>400,859</u>
Available-for-sale financial assets	16,444	18,129
Financial assets at fair value through profit or loss	4,608	4,896
Pledged bank deposits	117,629	118,736
Short-term bank deposits	111,137	107,621
Other corporate and unallocated assets	12,286	7,907
	<u>162,104</u>	<u>157,289</u>
Consolidated total assets	<u>632,027</u>	<u>658,148</u>
Segment liabilities		
Continuing operations		
Property investments	51,638	58,086
Hair styling	1,432	1,813
Money lending	48	82
	<u>53,118</u>	<u>59,981</u>
Discontinued operation		
Stock broking	–	14,299
	<u>–</u>	<u>14,299</u>
Total segment liabilities	<u>53,118</u>	<u>74,280</u>
Deferred tax liabilities	3,303	3,303
Bank borrowings	198,000	198,000
Other corporate and unallocated liabilities	1,488	1,486
	<u>202,791</u>	<u>202,789</u>
Consolidated total liabilities	<u>255,909</u>	<u>277,069</u>

2. Revenue and segment information (Continued)

Segment assets and liabilities (Continued)

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

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

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2016	2015	2016	2015	Six months ended 30 June		2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Represented)	(Represented)	(Represented)	(Represented)	(Represented)	(Represented)	(Represented)	(Represented)	(Represented)	(Represented)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations										
Property investments	2,505	1,596	-	3,500	2,419	2,448	1	1	120	159
Hair styling	-	-	-	-	-	-	268	5	42	62
Money lending	817	721	-	-	-	-	-	-	-	-
	<u>3,322</u>	<u>2,317</u>	<u>-</u>	<u>3,500</u>	<u>2,419</u>	<u>2,448</u>	<u>269</u>	<u>6</u>	<u>162</u>	<u>221</u>
Discontinued operation										
Stock broking	74	236	-	-	-	-	-	4	7	17
Unallocated	1,884	1,814	-	-	8	7	-	534	151	225
	<u>1,958</u>	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>7</u>	<u>-</u>	<u>538</u>	<u>158</u>	<u>242</u>
Total	<u>5,280</u>	<u>4,367</u>	<u>-</u>	<u>3,500</u>	<u>2,427</u>	<u>2,455</u>	<u>269</u>	<u>544</u>	<u>320</u>	<u>463</u>

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.

2. Revenue and segment information (Continued)

Geographical information (Continued)

	Specified non-current assets		Revenue from external customers	
	As at 30 June 2016 (Unaudited) <i>HK\$'000</i>	As at 31 December 2015 (Audited) (Represented) <i>HK\$'000</i>	Six months ended 30 June 2016 (Unaudited) <i>HK\$'000</i>	
			2015 (Unaudited) (Represented) <i>HK\$'000</i>	
Continuing operations				
Hong Kong (domicile)	258,964	258,913	11,386	11,878
Macau	61,217	61,313	1,851	2,871
	<u>320,181</u>	<u>320,226</u>	<u>13,237</u>	<u>14,749</u>
Discontinued operation				
Hong Kong (domicile)	–	43	378	2,077
	<u>320,181</u>	<u>320,269</u>	<u>13,615</u>	<u>16,826</u>

3. (Loss)/Profit before income tax

(Loss)/Profit before income tax is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2016 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) (Represented) <i>HK\$'000</i>
Continuing operations		
(a) Finance costs		
Interest on borrowings	2,412	2,440
Other finance costs	15	15
Total finance costs recognised in profit or loss	<u>2,427</u>	<u>2,455</u>
(b) Other items		
Fair value loss/(gain) on financial assets at fair value through profit or loss	215	(879)
Depreciation and amortisation	313	446
	<u>313</u>	<u>446</u>

4. Income tax expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit in Hong Kong for the six months ended 30 June 2016 and 2015.

The Group has available tax losses as at 31 December 2015 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

Pursuant to the tax rules and regulations of Macau, the subsidiaries in Macau are liable to Macau Profits Tax at the rate of 12%. No provision for Macau profits tax has been made for the six months ended 30 June 2016 and 2015.

5. Discontinued operation

On 16 November 2015, the Group entered into a conditional sales and purchase agreement with an independent third party, Po Lee Capital Limited in respect of the disposal of its 100% equity interest in Century Legend Securities Limited (the "Disposal"). The major conditions as stipulated in the agreement were not yet fulfilled as of 31 December 2015.

On 23 March 2016, the Disposal was completed. The consideration for the Disposal is HK\$23,598,000. Century Legend Securities Limited is principally engaged in the provision of stock broking services in Hong Kong.

The results of the discontinued operation included in the profit for the interim period are set out below.

Profit for the period from discontinued operation

	Period from 1 January 2016 to 23 March 2016 (Unaudited) HK\$'000	Six months ended 30 June 2015 (Unaudited) HK\$'000
Revenue	378	2,077
Cost of sales	(54)	(546)
Gross profit	324	1,531
Other income	281	9
Administrative expenses	(489)	(1,102)
Profit before income tax	116	438
Income tax expense	–	–
Profit for the period	116	438

5. Discontinued operation (Continued)

Cash flows from discontinued operations

	Period from 1 January 2016 to 23 March 2016 (Unaudited) HK\$'000	Six months ended 30 June 2015 (Unaudited) HK\$'000
Net cash (used in)/generated from operating activities	(1,262)	426
Net cash used in investing activities	<u>–</u>	<u>(4)</u>
Net cash (outflows)/inflows	<u>(1,262)</u>	<u>422</u>

The assets and liabilities of Century Legend Securities Limited derecognised at the date of disposal were as follows:

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

5. Discontinued operation (Continued)

Gain on disposal of a subsidiary

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

Net cash inflow from disposal of a subsidiary

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

6. Dividend

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

7. (Loss)/Earnings per share attributable to the owners of the Company

The calculation of basic (loss)/earnings per share attributable to the owners of the Company from continuing and discontinued operations for the period is based on the loss attributable to the owners of the Company of HK\$3,476,000 (six months ended 30 June 2015: profit of HK\$3,582,000) and the weighted average of 309,705,597 (six months ended 30 June 2015: 306,641,597) shares in issue during the six-month period.

The calculation of basic (loss)/earnings per share attributable to the owners of the Company from continuing operations for the period is based on the loss attributable to the owners of the Company of HK\$3,592,000 (six months ended 30 June 2015: profit of HK\$3,144,000) and the weighted average of 309,705,597 (six months ended 30 June 2015: 306,641,597) shares in issue during the six-month period.

For the six months ended 30 June 2016, diluted loss per share amount is same as basic loss per share because the impact of the exercise of the share options was anti-dilutive.

For the six months ended 30 June 2015, the calculation of diluted earnings per share from continuing and discontinued operations is based on the profit attributable to the owners of the Company of HK\$3,582,000 and the weighted average number of 329,824,946 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

For the six months ended 30 June 2015, the calculation of diluted earnings per share from continuing operations is based on the profit attributable to the owners of the Company of HK\$3,144,000 and the weighted average number of 329,824,946 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

8. Trade and other receivables and prepayments

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Trade receivables	457	8,367
Less: Provision for impairment	—	(281)
	<hr/>	<hr/>
Trade receivables, net	457	8,086
Other receivables and deposits	9,299	5,631
	<hr/>	<hr/>
	9,756	13,717
	<hr/>	<hr/>

The majority of the Group's revenue is on cash basis. The remaining balances of revenue are on credit terms of thirty-sixty days. At 30 June 2016, the ageing analysis of the trade receivables, net of provision for impairment, is as follows:

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Repayable on demand – margin receivables	—	6,942
0-30 days	80	527
31-60 days	2	22
61-90 days	—	35
Over 90 days	375	560
	<hr/>	<hr/>
	457	8,086
	<hr/>	<hr/>

9. Trade payables

As at 30 June 2016, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Repayable on demand – Trust bank balances for funds placed by customers	—	11,315
0-30 days	42	2,678
31-60 days	43	32
	<hr/>	<hr/>
	85	14,025
	<hr/>	<hr/>

BUSINESS REVIEW AND PROSPECTS

Continued Operations

Overall Performance

In the first half of 2016 the world's economy was filled with challenges and uncertainties. Major global economies continued to struggle despite continuous support from central banks around the world. Brexit event in June added further uncertainties to the fragile Eurozone economies. Even though US sustained slight growth momentum, China only underwent stable economic growth. All these complicated and volatile economic conditions affected both Hong Kong and Macau economies deeply especially in the retail sector. The sluggish local retail market had an adverse impact on the Group's performance resulting in an overall net loss over the interim period from downtrend RMB exchange rate and unsatisfactory return on property investments.

For the six months ended 30 June 2016, the Group recorded a turnover of HK\$13,237,000, representing a 21.3% decrease from the corresponding period of last year (1H2015 (represented): HK\$16,826,000). Gross profit for the period under review was HK\$8,721,000 representing a 28.2% decrease from the corresponding period of last year (1H2015 (represented): HK\$12,148,000).

The Group delivered a net loss of HK\$3,312,000 compared to a net profit of HK\$3,656,000 from the corresponding period of last year. The loss was mainly attributed to increase in unrealized exchange loss of HK\$4,808,000 derived from bank deposits denominated in RMB as at 30 June 2016 and decrease in rental income from investment properties of HK\$3,295,000. In addition, there is no valuation gain on investment properties for the period under review compared to a valuation gain of HK\$3,500,000 from the corresponding period of last year. Instead the Group derived a gain of HK\$5,854,000 from disposing its entire interest in a subsidiary during the period under review. Before the unrealized exchange loss, valuation gain on investment properties and gain on disposal of a subsidiary, the Group incurred net loss of HK\$4,173,000 versus net profit of HK\$341,000 the same period last year.

Property Investment Business

Property markets in both Hong Kong and Macau remained stagnant in the first half of the year. There was some reduction in property prices in general in anticipation of interest rate hike but as supply remained inadequate, both buyers and sellers held a wait and see attitude.

During the first half of 2016, our properties portfolio in Hong Kong and Macau contributed rental income of HK\$3,900,000 (1H2015: HK\$7,195,000) to the Group. There is no valuation gain on investment properties during the period under review compared to valuation gain of HK\$3,500,000 the same period last year. The big plunge in rental income was due to the vacancy period to undergo renovation work on our boutique hotel after the tenancy expired in September 2015. A new tenancy agreement took effect in mid-April after the renovation was completed. Due to the market downturn, the financial performance in this sector was materially and adversely impacted resulting in loss of HK\$3,523,000 compared to profit of HK\$3,237,000 the same period last year in the midst of prevailing declining market rental rate and difficulties in securing a lease renewal or replacement tenant at the same if not higher rental rate than before. Nevertheless, all investment properties are anticipated to serve as a stable income base to the Group.

The core business of the Group remains focusing on property investment and development in Hong Kong and Macau. While mindful of the challenging operating environment, the management will continue to monitor the property market to make disposals and acquisitions to ensure the Group will continue to unlock values on our existing investment portfolio while mitigating potential investment risks. We believe Hong Kong's economic fundamentals are still sound with interest rates and unemployment rates hovering at low levels and are optimistic that pent up demand will still support prices for commercial units in prime locations and quality residences in the long run.

Hair Styling Business

Hair styling business continues to be a stable contributor to the revenue of the Group. For the first half of 2016, the Hair styling business segment reported a turnover of HK\$8,519,000 representing a 4.4% decrease when compared to the corresponding period last year. Segment net profit dropped 34.9% from that of the same period last year to HK\$790,000 this year. Other than the lost revenue, reduced segment profit was also attributable to the increase in staff cost as well as rental upon renewal of the tenancy agreement in mid-May 2016.

In the coming months of the year, it is not expected there may be many signs of recovery in the external economy but with growing domestic demand, further reform measures and new infrastructure construction in Mainland China will provide new momentum for steady economic growth and hopefully in turn would boost up the local retail sales and services market which seem to have been stabilized from shrinking recently. Meanwhile to keep our competitive edge, management team will continue to step up its effort in enhancing operational efficiency and cost structure as well as exploring new service and marketing strategies.

During the period under review, “Headquarters” Remained committed to its social responsibilities and was honoured as Caring Company by The Hong Kong Council of Social Services and awarded with ERB Manpower Developer – SME Award, The Hong Kong Outstanding Corporate Citizenship Logo and for the first time the Good MPF Employer award.

Other Business Segments

Money lending business contributed a turnover of HK\$818,000 during the first six months of 2016, increased 13.5% compared to the same period last year. The segment recorded a profit of HK\$624,000 compared to a profit of HK\$460,000 same period last year. The increase in profit was mainly contributed from a new personal drawdown made in August 2015. This business continues to aim at increasing our return on surplus cash in the low interest environment while at the same time adopting a cautious approach to manage credit risk.

Discontinued Operation

On 23 March 2016, the Group disposed its wholly-owned subsidiary, Century Legend Securities Limited with consideration of HK\$23,598,000, resulting in gain on disposal of HK\$5,854,000. The profit for the period from 1 January 2016 to the date of disposal was disclosed under the discontinued operation in Note 5 at HK\$116,000. After the disposal, the Group will no longer engage in securities brokerage business and consolidate the resources to focus on its core business in property investments.

Prospects

The economy in Hong Kong and Macau did not fare well for the first six months of 2016 after the continuous economic slowdown last year. Inbound mainland tourists increased in number, but their consumption power did not improve significantly. Uncertainty in economic outlook led to persistently sluggish local consumer sentiment. The poor consumption sentiment inevitably affected the Group’s business in Hong Kong and Macau, particularly property investment business. Some of our tenants ended their business as they encountered operating difficulties, resulting in our seeking of new tenants; while some other tenants requested rental adjustments due to the shrinking market. The time taken for identifying new tenants and dropping market rentals greatly reduced the Group’s rental income during the period, but with our relentless effort, these issues were basically solved in the second quarter of 2016 and all of the Group’s properties have been leased out to date. The average rental income is lower than before, but the new rental arrangement will bring steady cash revenue for the Group in the near future. Moreover, we hope to enhance the Group’s tenants base and our relationship with them through the new tenant portfolio and rental adjustments, so as to benefit long term development of the Group.

Looking forward, the outlook of the economy in Hong Kong and Macau remains gloomy. The economic condition in Hong Kong and Macau will continuously be affected by factors such as the political and economic uncertainties in the world (especially in the Asia-Pacific region), the impact of Brexit on the global economy, and the volatility arising during the economic transformation in mainland China. In Hong Kong, the politicized society has made governance tougher and tougher. The Government is unable to roll out effective measures to cope with the weak economy. In Macau, the leading industry, gaming industry, is adjusting towards the new economic norm with falling revenue and the effectiveness of moderate economic and industrial diversification is yet to be seen. Against the backdrop of these various challenges, we will continue to uphold our principles of prudent investment and sound financial management, so as to seek opportunity in adversity and foster the development of the business of the Group pragmatically.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2016, the Group had a cash and bank balance including pledged bank deposits of HK\$242,891,000 and net current assets of HK\$24,638,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2016 was approximately 1.10 (31 December 2015: 1.03). The Group maintained a good working capital position during the reviewing period.

The sales and purchase of the Group are mainly denominated in Hong Kong dollars. The Group has significant portion of RMB bank deposit which is exposed to the RMB exchange rate fluctuation in view of the recent RMB exchange rate fluctuation. The Directors consider that in long run the RMB exchange rate will be stable. Other than this the Group's exposure to fluctuations in exchange rates was minimal.

During the period under review, the Group's certain investment properties and certain bank deposits were pledged to banks to secure the bank borrowing of approximately HK\$246,710,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2016 (31 December 2015: Nil). The Group had no significant capital commitments as at 30 June 2016 (31 December 2015: HK\$1,605,000). There were no material acquisitions and disposals during the period under review.

Capital Structure of the Group

During the period under review, the Group had total equity of HK\$376,118,000, HK\$425,000 fixed rate liability, HK\$246,285,000 floating rate liability and HK\$9,199,000 interest-free liabilities, representing 0.1%, 65.5% and 2.4% of the Group's total equity respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2016 was approximately 0.07% (31 December 2015: 0.09%).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2016.

EMPLOYEE AND REMUNERATION POLICY

For the period ended, under the continuing operation, the Group employed approximately a total of 34 employees (30 June 2015 (restated): 34) with staff costs excluding directors' emoluments amounted to HK\$3,973,000 (30 June 2015 (represented): HK\$3,683,000).

The Group's emoluments policies are formulated on the performance of individuals and are competitive to the market. Employee remuneration is reviewed and determined by management annually based on both employees' individual and Group's overall performance. Under the share option scheme of the Company, options may be granted to the directors and employees of the Group to subscribe for the shares of the Company.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

Compliance with the Code of Best Practice of the Listing Rules

The Company has complied with the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period under review, save for the deviations set out below.

As at 30 June 2016, 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

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements of the Group for the six months ended 30 June 2016 with the directors.

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 throughout the six months ended 30 June 2016.

By Order of the Board
CHU MING TAK EVANS TANIA
Executive Director

Hong Kong, 25 August 2016

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