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 2011

The board of directors (the "Board") of Century Legend (Holdings) Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011 together with the comparative figures for the year ended 31 December 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	Notes	**2011** ***HK$'000***	2010 *HK$'000* (Restated)
Revenue	*3*	**27,456**	27,709
Cost of sales		**(8,643)**	(8,942)
Gross profit		**18,813**	18,767
Other income	*5*	**1,757**	1,179
Fair value loss on financial assets at fair value through profit or loss		**(1,252)**	(58)
Administrative expenses		**(28,209)**	(27,365)
Finance costs	*6*	**(1,336)**	(1,707)
Gain on disposals of available-for-sale financial assets		**–**	19
Fair value gain on investment properties		**21,563**	51,991
Profit before income tax	*7*	**11,336**	42,826
Income tax expense	*8*	**(2,796)**	(8,258)
Profit for the year		**8,540**	34,568

* *For identification purposes only*

	Notes	2011 HK$'000	2010 HK$'000
Other comprehensive income			
Release upon disposals of available-for-sale financial assets		**–**	(33)
Revaluation of available-for-sale financial assets		**(5,138)**	(636)
Other comprehensive income for the year		**(5,138)**	(669)
Total comprehensive income for the year		**3,402**	33,899
Profit for the year attributable to:			
Owners of the Company		**7,862**	33,862
Non-controlling interests		**678**	706
		8,540	34,568
Total comprehensive income for the year attributable to:			
Owners of the Company		**2,724**	33,193
Non-controlling interests		**678**	706
		3,402	33,899
		HK cents	*HK cents*
Earnings per share for profit attributable to the owners of the Company	*10*		
– Basic		**2.64**	11.38
– Diluted		**2.61**	11.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**4,888**	5,482
Investment properties		**231,670**	194,900
Prepaid land lease payments		**6,132**	6,313
Available-for-sale financial assets		**16,261**	21,399
Loan receivables		**31,741**	195
		290,692	228,289
Current assets			
Inventories		**70**	111
Prepaid land lease payments		**180**	180
Financial assets at fair value through profit or loss		**3,938**	5,170
Trade and other receivables and prepayments	*11*	**16,637**	11,526
Loan receivables		**10,211**	41,833
Trust bank balances held on behalf of customers		**1,134**	881
Cash and cash equivalents		**106,612**	89,064
		138,782	148,765
Assets classified as held for sale		**–**	77,330
		138,782	226,095
Current liabilities			
Trade payables	*12*	**7,745**	4,729
Other payables and accruals		**10,529**	17,088
Obligations under finance leases		**46**	106
Bank borrowings (secured)		**55,395**	82,935
Provision for taxation		**2,203**	2,203
		75,918	107,061
Net current assets		**62,864**	119,034
Total assets less current liabilities		**353,556**	347,323

	Notes	**2011**	2010
		HK$'000	*HK$'000*
Non-current liabilities			
Bank borrowings (secured)		**5,861**	6,413
Obligations under finance leases		**–**	46
Deferred tax liabilities		**9,889**	7,093
		15,750	13,552
Net assets		**337,806**	333,771
EQUITY			
Share capital		**59,534**	59,534
Reserves		**276,888**	273,531
Equity attributable to the owners of the Company		**336,422**	333,065
Non-controlling interests		**1,384**	706
Total equity		**337,806**	333,771

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collectively includes all applicable individual Hong Kong Financial Reporting Standard, Hong Kong Accounting Standard ("HKAS") and Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are stated at fair value.

Certain income derived and expenses incurred for the year ended 31 December 2010 have been restated as follows:

(i) During the year, the directors have reviewed the principal activities of the Group. Having considered that income from travel related business arises incidentally during the year and in the foreseeable future, the directors have classified income form sale of hotel vouchers and ferry tickets amounting to HK$7,000 as other income instead of revenue. Income generated from the sale of travelling and entertainment packages during last year amounting to HK$22,000 is thereby reclassified from revenue to other income to conform with current year's presentation. The corresponding purchase costs of those travelling and entertainment packages amounting to HK$81,000 has been reclassified from cost of sales to administrative expenses.

(ii) Interest income arising form margin accounts and settlement handling fee income derived in last year amounting to HK$437,000 and HK$158,000 respectively have been reclassified from other income – sundry to interest income under revenue and revenue of brokerage and commission income respectively. To conform with current year's presentation as the directors consider that such classification better reflect the nature of the income. For internal reporting purpose, those income have been included under the segment revenue of "Stock broking".

The above reclassifications have no financial impact to the Group's consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity.

2. ADOPTION OF NEW OR REVISED HKFRSs

(a) New/revised HKFRSs – effective 1 January 2011

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011:

HKAS 24 (Revised)	Related Party Disclosures
HKFRSs (Amendments)	Improvements to HKFRSs 2010

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

HKFRS 7 (Amendments) – Financial Instruments: Disclosures

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amounts of the Group's loans and receivables and bank balances represent the Group's maximum exposure to credit risk in respect of these financial assets as at 31 December 2011 and 2010. The prior year financial statements included a positive statement to this effect which is removed in the 2011 financial statements following the amendments. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has revised its accounting policy for the identification of its related parties and has reassessed counterparties of transactions in accordance with the revised definition. The reassessment did not result in new related parties being identified. Related parties identified in prior years remain unchanged under the new accounting policy and the Group concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

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

The following new/revised HKFRSs have been issued but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets [1]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets [2]
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income [3]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities [5]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities [4]
HKAS 19 (2011)	Employee Benefits [4]
HKAS 27 (2011)	Separate Financial Statements [4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures [4]
HKFRS 9	Financial Instruments [6]
HKFRS 10	Consolidated Financial Statements [4]
HKFRS 11	Joint Arrangements [4]
HKFRS 12	Disclosure of Interests in Other Entities [4]
HKFRS 13	Fair Value Measurements [4]

[1] *Effective for annual periods beginning on or after 1 July 2011*

[2] *Effective for annual periods beginning on or after 1 January 2012*

[3] *Effective for annual periods beginning on or after 1 July 2012*

[4] *Effective for annual periods beginning on or after 1 January 2013*

[5] *Effective for annual periods beginning on or after 1 January 2014*

[6] *Effective for annual periods beginning on or after 1 January 2015*

Amendments to HKFRS 7 Disclosure – Transfer of Financial Assets

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendment will be applied retrospectively.

Amendments to HKAS 1 (Revised) Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 Financial Instruments

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains and losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. This aims to improve and simply the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option. For these fair value option liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the fair value option are scoped out of the Additions. HKAS 39 is aimed to be replaced by HKFRS 9 in its entirely. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 Fair Value Measurements

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 *Financial Instruments: Disclosures*. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs.

3 REVENUE

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

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Health and beauty services	**14,891**	15,225
Brokerage and commission income	**3,355**	2,451
Interest income from money lending and stock broking	**2,192**	2,076
Gross rental income from investment properties	**7,018**	7,957
	27,456	27,709

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

Health and beauty services	–	Provision of health and beauty services in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong
Stock broking	–	Provision of stock brokering services in Hong Kong
Property investments	–	Investing in commercial and residential properties for its rental income potential and for capital appreciation in both Macau and Hong Kong

Previously, provision of travel agency services including sale of travelling and entertainment packages was reported as a separate segment under "Travel related business". Due to the change in classification of income generated from travel related business as disclosed in note 1 as well as change in information reported internally for the purpose of assessment of business performance, it is no longer an operating segment for the current year. In addition, as mentioned in note 1, interest income arising from margin accounts and settlement handling fee income have been classified as revenue rather than other income and have been reported as segment revenue under "Stock broking" segment. Certain comparative figures in the segment information for the year ended 31 December 2010 has been restated accordingly.

Segment revenue and results

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

	Segment revenue		**Segment profit**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Health and beauty services	**14,891**	15,225	**1,856**	1,992
Money lending	**1,791**	1,639	**1,584**	1,431
Stock broking	**3,756**	2,888	**893**	223
Property investments	**7,018**	7,957	**14,478**	49,717
	27,456	27,709	**18,811**	53,363
Unallocated other income			**1,430**	1,090
Exchange gains, net			**1,107**	–
Fair value loss on financial assets at fair value through profit or loss			**(1,252)**	(58)
Employee share option expense			**(633)**	–
Corporate and unallocated expenses			**(8,127)**	(11,569)
Profit before income tax			**11,336**	42,826

Revenue reported above represented revenue generated from external customers.

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

Segment assets and liabilities

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Segment assets		
Health and beauty services	**2,265**	2,248
Money lending	**42,445**	42,354
Stock broking	**26,538**	15,706
Property investments	**250,648**	294,960
Total segment assets	**321,896**	355,268
Available-for-sale financial assets	**16,261**	21,399
Financial assets at fair value through profit or loss	**3,938**	5,170
Corporate and unallocated assets	**87,379**	72,547
Consolidated total assets	**429,474**	454,384
Segment liabilities		
Health and beauty services	**1,360**	1,244
Money lending	**82**	82
Stock broking	**7,914**	4,978
Property investments	**68,845**	103,661
Total segment liabilities	**78,201**	109,965
Provision for taxation	**2,203**	2,203
Deferred tax liabilities	**9,889**	7,093
Corporate and unallocated liabilities	**1,375**	1,352
Consolidated total liabilities	**91,668**	120,613

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

– all assets are allocated to reportable segments other than available-for-sale financial assets, financial assets at fair value through profit or loss and corporate assets; and

– all liabilities are allocated to reportable segments other than provision for taxation, deferred tax liabilities 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	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000* (Restated)
Heath and beauty services	**–**	–	**–**	–	**–**	–	**7**	363	**124**	306
Money lending	**1,791**	1,639	**–**	–	**–**	–	**–**	–	**–**	–
Stock broking	**401**	437	**–**	–	**–**	–	**175**	21	**41**	16
Property investments	**–**	–	**21,563**	51,991	**1,328**	1,690	**15,213**	21,604	**756**	557
	2,192	2,076	**21,563**	51,991	**1,328**	1,690	**15,395**	21,988	**921**	879
Unallocated	**1,032**	486	**–**	–	**8**	17	**8**	7	**50**	510
Total	**3,224**	2,562	**21,563**	51,991	**1,336**	1,707	**15,403**	21,995	**971**	1,389

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	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000* (Restated)
Hong Kong (domicile)	**190,129**	156,625	**25,774**	26,196
Macau	**52,561**	50,070	**1,682**	1,513
	242,690	206,695	**27,456**	27,709

Information about a major customer

Revenues from one customer of the Group's property investments segment amounted to HK$4,200,000 (2010: HK$4,200,000) which represented 15.3% (2010: 15.2%) of the Group's revenue.

5. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Bank interest income	**1,032**	486
Dividend income from listed investments	**599**	642
Sundry income	**34**	51
Reversal of impairment on trade receivables	**92**	–
	1,757	1,179

6. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest charges on finance leases	**8**	17
Interest charges on bank loans not wholly repayable within five years	**1,328**	1,690
	1,336	1,707

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements. For the year ended 31 December 2011, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$1,093,000 (2010: HK$1,437,000).

7. PROFIT BEFORE INCOME TAX

	2011	2010
	HK$'000	*HK$'000*
Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	**181**	181
Auditors' remuneration	**551**	569
Depreciation of property, plant and equipment	**790**	1,208
Employee benefit expenses	**19,009**	17,611
Rentals received/receivable from investment properties less direct outgoings of HK$347,000 (2010: HK$277,000)	**(6,671)**	(7,680)
Operating lease charges in respect of:		
– Buildings	**3,319**	3,213
– Motor vehicles	**570**	545
Exchange gains, net	**(1,107)**	–

8. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
The tax charge comprises:		
– Current tax – Hong Kong profits tax	**–**	2,203
– Deferred tax	**2,796**	6,055
	2,796	8,258

For the year ended 31 December 2011, no Hong Kong profits tax was provided in the financial statements as the relevant group entities either did not derive any assessable profit in Hong Kong or had unused tax losses brought forward to offset against the current year's assessable profits in Hong Kong.

For the year ended 31 December 2010, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for that year. Tax on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the tax rules and regulations of Macau, the subsidiaries in Macau are liable to Macau Profits Tax at the rate of 12% (2010: 12%).

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

	2011	2010
	HK$'000	*HK$'000*
Profit before income tax	**11,336**	42,826
Tax at the statutory rate of 16.5% (2010: 16.5%) in Hong Kong	**1,870**	7,066
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(162)**	–
Tax effect of non-deductible expenses	**1,975**	2,154
Tax effect of non-taxable revenue	**(1,750)**	(801)
Tax effect of prior year's unrecognised tax losses utilised this year	**(563)**	(1,054)
Tax losses not recognised as deferred tax assets	**1,400**	702
Others	**26**	191
Income tax expense	**2,796**	8,258

9. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2011 (2010: Nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company of HK$7,862,000 (2010: HK$33,862,000) and the weighted average number of 297,670,000 (2010: 297,670,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit attributable to the owners of the Company of HK$7,862,000 (2010: HK$33,862,000) and the weighted average of 301,147,000 (2010: 305,570,000) ordinary shares outstanding during the year, after adjusting for the effects of all dilutive potential ordinary shares. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is calculated based on the weighted average of 297,670,000 (2010: 297,670,000) ordinary shares in issue during the year plus the weighted average of 3,477,000 (2010: 7,900,000) ordinary shares deemed to be issued at no consideration as if all the Company's outstanding share options had been exercised.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**14,019**	9,313
Less: Provision for impairment	**(281)**	(373)
Trade receivables, net	**13,738**	8,940
Other receivables and deposits	**2,899**	2,586
	16,637	11,526

The Group's trade receivables at the reporting date mainly represent the receivable balances in respect of the Group's stock broking business. The Group allows a credit period up to the settlement dates of their respective transactions (normally two business days after the respective trade dates) except for margin client receivables which are repayable on demand.

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

	2011	2010
	HK$'000	*HK$'000*
Repayable on demand – margin receivables*	**4,372**	1,411
0-30 days	**8,226**	6,359
31-60 days	**225**	242
61-90 days	**92**	143
Over 90 days	**823**	785
	13,738	8,940

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

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied the recovery of the amount is remote, in which case the impairment loss is written off against the trade receivables directly. The movement in the provision for impairment of trade receivables is as follows:

	2011	2010
	HK$'000	*HK$'000*
Balance at 1 January	**373**	373
Reversal of impairment losses	**(92)**	–
Balance at 31 December	**281**	373

At each reporting date, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$281,000 (2010: HK$373,000) with a gross carrying amount of HK$418,000 (2010: HK$598,000). The individually impaired trade receivables relate to customers that were in default or delinquent in payments.

The ageing analysis (based on due date) of the trade receivables that are past due but are not considered to be impaired is as follows:

	2011	2010
	HK$'000	*HK$'000*
1 – 30 days past due	**8,226**	6,359
31 – 60 days past due	**225**	242
61 – 90 days past due	**92**	143
Over 90 days past due	**823**	785
	9,366	7,529

Trade receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to customers that have a good payment record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered full recoverable.

12. TRADE PAYABLES

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

	2011	2010
	HK$'000	*HK$'000*
Repayable on demand – Trust bank balances for funds placed by customers	**1,122**	841
0-30 days	**6,570**	3,852
31-60 days	**53**	36
	7,745	4,729

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

General Performance

During the year under review, the Group delivered a net profit of approximately HK$8,540,000, representing an decrease of approximately 75.3% over last year. This is mainly attributable to decrease in valuation gain on investment properties from approximately HK$51,991,000 in 2010 to approximately HK$21,563,000 in 2011. The Group's turnover decreased slightly by approximately 0.9% from 2010 to approximately HK$27,456,000 in 2011 while the gross profit was increased 0.2% to HK$18,813,000.

The profit this year was mainly attributed to the gain from revaluation of investment properties of approximately HK$21,563,000.

Increase in high yield RMB deposit leads to increase in bank interest income as a result of which other income increased by 49% to HK$1,757,000. Administrative expenses increased 3.1 % to HK$28,209,000 this year.

As at 31 December 2011, the Group's net asset value was approximately HK$337,806,000 and net asset value per share was approximately HK$1.13. The Group's total assets and liabilities were HK$429,474,000 and HK$91,668,000 respectively.

Property Investment Business

Year 2011 was a year full of volatility in the global financial markets largely due to the recent European sovereign debt crisis and the sluggishness of US economy. Furthermore, both the Mainland Chinese Government and Hong Kong SAR Government have imposed various regulatory measures to cool down the property market so as to curb spectulative activities and to ensure a healthier development of the real estate market. As a result, even though property market in Hong Kong remained active during the first half 2011, both property prices and sales volume have been adversely affected since the latter half of the year. Under such market environment, the Group closely monitored the market situation and stayed vigiant while being very cautious in making investment decisions. During the year, the Group acquired two residential properties with total cost of HK$15,207,000.

The Group's existing portfolio in Macau comprises an office premise and a retail shop both located at prime central area of the city, were acquired to provide stable and promising income to the Group. HK$1,682,000 of rental income was recorded in 2011 which increased approximately 11.2% from the year before. There was 85.3% increase in rental income from new letting of the retail shop when the old tenancy agreement expired during the year. This increased the yield on retail property investment to approximately 7%. The average yield on Macau property investment is approximately 5.6%.

The Group's property portfolio in Hong Kong comprises one block of boutique hotel situated in Shuang Wan with 47 rooms and 4 residential units in Taikoo Shing. Rental income of approximately HK$5,336,000 was received in 2011 with investment yield approximately 4%. In anticipation of continual rental growth for prime shopping centres and high street shops in 2012 as many international retailers are eager to expand in Hong Kong to tap into the China market, the Group is confident to be able to capture strong rental growth rates for either renewal or new letting of the hotel tenancy on its expiry this year.

By year end 2011, the fair value of investment properties increased by approximately HK$21,563,000, as compared with that of HK$51,991,000 the year before. Despite the slow down in the accelerated growth of property prices, retail rent continued to rise during the year on the back of a robust retail market since the economic rebound in 2010. The continued rise in retail spending supported principally by Mainland China tourists has led to a surge in demand for retail spaces. Notwithstanding the high inflationary economic environment, the Group believes Hong Kong's property leasing market can have a steady growth.

Health and Beauty Business

In 2011, the health and beauty segment continued to be a stable and healthy contributor of returns to the Group. With persistently adopting the policy of tightened control on operating expenses, the Group successfully maintained its total operating cost at about the same relative level as in 2010 despite the rising labour and materail cost, in particular, the cost impact after the enactment of minimum wage on a typically labour intensive business with many employee trainees used to earn below average wages by historical norm throughout the industry. For the year under review, turnover of this segment amounted to HK$14,891,000, representing a decrease of 2.2% as compared with 2010 while the segment profit decreased by 6.8% from HK$1,992,000 to approximately HK$1,856,000.

Other Business Segments

As new account executives joined the Group during the year and hence increased the business volume, turnover from the stock brokerage business segment in 2011 increased by 30.1% to HK$3,756,000 as compared with the year before. Segment profit was approximately HK$893,000, representing an increase of 300.4% as compared with HK$223,000 in 2010.

Money lending activities manifested steady growth during 2011. It recorded a turnover of HK$1,791,000, representing a further increase of 9.3% over the previous year. Segment profit was HK$1,584,000 as compared with HK$1,431,000 in 2010.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2011, the Group had a cash and bank balance of HK$106,612,000 and net current assets of HK$62,864,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2011 was approximately 1.83 (31 December 2010: 2.11). The Group maintained a healthy working capital position during 2011.

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

During the year, certain investment properties of the Group were pledged to three banks to secure the bank borrowing of approximately HK$61,256,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 31 December 2011 (31 December 2010: Nil). The Group had capital commitments of approximately HK$531,000 as at 31 December 2011 (31 December 2010: Nil).

II. Capital Structure of the Group

As at 31 December 2011, the Group had total equity of HK$337,806,000, HK$46,000 of fixed rate liability, HK$61,256,000 of floating rate liability and HK$30,366,000 of interest-free liabilities, representing 0.01%, 18.13% and 8.99% 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 2011 was approximately 1.74% (31 December 2010: 1.92%).

III. Employment Information

As at 31 December 2011,. the Group employed approximately a total of 47 employees (2010: 51). 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 2011, the total staff costs (excluding Directors' emoluments) amounted to approximately HK$8,700,000 (2010: HK$9,185,000).

IV. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: Nil).

PROSPECTS

Following the downgrade of US credit ratings during the year and the on-going debt problems in Europe, the uncertainty over the outlook for the global economy has been mounting. Indeed, the current debt crisis will unlikely be permanently resolved in the short term but it is expected that the US and many countries in the European Union will further tighten their fiscal policies or implement austerity measures in order for them to return to more sustainable fiscal paths in the next few years. There is a general consensus that these major developed countries with fiscal tightening policies will be in a period of low-growth in the next few quarters.

While the three economies in Mainland China, Hong Kong and Macau, have still posted relatively strong growth rates in 2011, they have also been facing accelerating inflationary pressures. With fears of property bubbles emerging, these governments have imposed some property restrictive measures which more likely will suppress potential buyers' appetite in the short term. Nevertheless, over the medium and long term, the Group remains optimistic about the outlook for the three economies and therefore their respective property markets. Given Hong Kong's still solid economic fundamentals and benefiting from the continuing growth in Mainland China coupled with the low interest environment and the government's pledge to increase land supply all of which are factors attributing to a healthy and sustained growth of local property market. The Group's investment property portfolio is expected to perform well under strong demand and high rental for quality commercial properties in both Hong Kong and Macau. Looking forward, the Group will maintain sufficient cash reserve and high liquidity and to look for opportunities for future growth and expansion.

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 2011, the Company has complied with all Code Provisions in the Code of Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited except for certain areas of non-compliance that are discussed below.

The CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same person. Mr. Tsang Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. Tsang Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the Shareholders as a whole for Mr. Tsang Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the audited consolidated results of the Group for the year ended 31 December 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

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

Hong Kong, 27 March 2012

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 (Executive Chairman), Mr. Tsang Chiu Ching (Deputy Chairman), 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.