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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00079)**

## **FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015 together with the comparative figures for the year ended 31 December 2014 as follows:

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*for the year ended 31 December 2015*

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>34,065</b>	32,115
Cost of sales		<u><b>(10,103)</b></u>	<u>(9,310)</u>
<b>Gross profit</b>		<b>23,962</b>	22,805
Other income	4	<b>9,890</b>	7,509
Fair value (loss)/gain on financial assets at fair value through profit or loss		<b>(530)</b>	834
Fair value gain on investment properties		<b>3,500</b>	30,200
Administrative expenses		<b>(49,935)</b>	(41,120)
Finance costs	6	<u><b>(4,925)</b></u>	<u>(4,867)</u>
<b>(Loss)/Profit before income tax</b>	7	<b>(18,038)</b>	15,361
Income tax expense	8	<u><b>(405)</b></u>	<u>(252)</u>
<b>(Loss)/Profit for the year</b>		<u><b>(18,443)</b></u>	<u>15,109</u>

\* *For identification purposes only*

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Revaluation of available-for-sale financial assets		<u>(2,939)</u>	<u>350</u>
<b>Other comprehensive income for the year</b>		<u>(2,939)</u>	<u>350</u>
<b>Total comprehensive income for the year</b>		<u>(21,382)</u>	<u>15,459</u>
<b>(Loss)/Profit for the year attributable to:</b>			
Owners of the Company		(19,132)	14,489
Non-controlling interests		<u>689</u>	<u>620</u>
		<u>(18,443)</u>	<u>15,109</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(22,071)	14,839
Non-controlling interests		<u>689</u>	<u>620</u>
		<u>(21,382)</u>	<u>15,459</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>(Loss)/Earnings per share</b>	<i>10</i>		
– Basic		(6.23)	4.77
– Diluted		<u>(6.23)</u>	<u>4.68</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>3,169</b>	3,367
Investment properties		<b>313,400</b>	309,900
Prepaid land lease payments		<b>3,700</b>	3,823
Available-for-sale financial assets		<b>18,129</b>	20,924
Loans receivable		<b>36,987</b>	29,800
		<hr/> <b>375,385</b>	<hr/> 367,814
<b>Current assets</b>			
Inventories		<b>53</b>	53
Prepaid land lease payments		<b>123</b>	123
Financial assets at fair value through profit or loss		<b>4,896</b>	5,693
Trade and other receivables and prepayments	<i>11</i>	<b>13,717</b>	14,358
Loans receivable		<b>1,943</b>	2,389
Trust bank balances held on behalf of customers		<b>11,318</b>	6,086
Pledged bank deposits		<b>118,736</b>	121,212
Cash and bank balances		<b>131,977</b>	157,262
		<hr/> <b>282,763</b>	<hr/> 307,176
<b>Current liabilities</b>			
Trade payables	<i>12</i>	<b>14,025</b>	8,986
Other payables and accruals		<b>11,746</b>	14,026
Obligations under finance leases		<b>203</b>	121
Bank borrowings (secured)		<b>247,351</b>	249,481
Tax payable		<b>103</b>	–
		<hr/> <b>273,428</b>	<hr/> 272,614
<b>Net current assets</b>		<hr/> <b>9,335</b>	<hr/> 34,562
<b>Total assets less current liabilities</b>		<hr/> <b>384,720</b>	<hr/> 402,376

	<b>2015</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Obligations under finance leases	<b>338</b>	90
Deferred tax liabilities	<b>3,303</b>	3,001
	<u><b>3,641</b></u>	<u>3,091</u>
<b>Net assets</b>	<u><b>381,079</b></u>	<u>399,285</u>
<b>EQUITY</b>		
Share capital	<b>61,941</b>	61,328
Reserves	<b>315,325</b>	334,833
	<u><b>377,266</b></u>	<u>396,161</u>
Equity attributable to the owners of the Company	<b>377,266</b>	396,161
Non-controlling interests	<b>3,813</b>	3,124
	<u><b>381,079</b></u>	<u>399,285</u>
<b>Total equity</b>	<u><b>381,079</b></u>	<u>399,285</u>

Notes:

## 1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) 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 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.

## 2. ADOPTION OF NEW OR REVISED HKFRSs

### (a) New or revised HKFRSs – effective 1 January 2015

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 2015:

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

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

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

The following new or revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 27	Equity method in Separate Financial Statements <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRS 16	Leases <sup>3</sup>
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

#### *Amendments to HKAS 1 – Disclosure Initiative*

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

#### *Amendments to HKAS 27 – Equity Method in Separate Financial Statements*

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

#### *HKFRS 9 (2014) – Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

#### *HKFRS 15 – Revenue from Contracts with Customers*

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

#### *HKFRS 16 – Leases*

The new standard specifies how an entity to recognise, measure, present and disclose leases. HKFRS 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance with HKFRS 16's approach to lessor accounting substantially unchanged from its predecessor HKAS 17.

The Group is in the process of making an assessment of the potential impact of these new or revised HKFRSs. The Group is not yet in a position to state whether these new pronouncements will result in material impact on the Group's financial statements.

#### (c) **New Companies Ordinance provisions relating to the preparation of financial statements**

The provisions of the new Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Company in this financial year.

The directors consider that there is no impact on the Group's financial position or performance, however the new Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements.

### **3. REVENUE**

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Rendering of hair styling services	17,797	16,319
Brokerage and commission income	2,761	2,647
Interest income from money lending and stock broking	1,947	2,231
Gross rental income from investment properties	11,560	10,918
	<u>34,065</u>	<u>32,115</u>

### **4. OTHER INCOME**

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank interest income	7,600	6,376
Dividend income from listed investments	1,054	1,040
Sundry income	1,236	93
	<u>9,890</u>	<u>7,509</u>

## 5. SEGMENT INFORMATION

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

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

### Segment revenue and results

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

	Segment revenue		Segment results	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hair styling	17,797	16,319	1,787	1,537
Money lending	1,551	1,728	39	1,213
Stock broking	3,157	3,150	209	247
Property investments	11,560	10,918	(4,705)	21,604
	<u>34,065</u>	<u>32,115</u>	<u>(2,670)</u>	24,601
Unallocated income			5,260	3,554
Exchange losses, net			(10,673)	(5,119)
Fair value (loss)/gain on financial instruments			(530)	834
Corporate staff costs			(4,822)	(4,366)
Other corporate and unallocated expenses			<u>(4,603)</u>	<u>(4,143)</u>
(Loss)/Profit before income tax			<u>(18,038)</u>	<u>15,361</u>

Revenue reported above represents revenue generated from external customers.

Segment results represent the profit earned/loss incurred by each segment without allocation of central administration costs. Segment results exclude 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. Segment results also exclude corporate staff costs and other corporate expenses. This is the measure reported to the executive directors for the purposes of resource allocation and assessment of segment performance.



## Segment assets and liabilities

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Segment assets</b>		
Hair styling	5,139	3,160
Money lending	39,265	32,971
Stock broking	31,987	27,452
Property investments	<u>324,468</u>	<u>322,406</u>
Total segment assets	400,859	385,989
Available-for-sale financial assets	18,129	20,924
Financial assets at fair value through profit or loss	4,896	5,693
Pledged bank deposits	118,736	121,212
Short-term bank deposits	107,621	133,991
Other corporate and unallocated assets	<u>7,907</u>	<u>7,181</u>
Consolidated total assets	<u>658,148</u>	<u>674,990</u>
<b>Segment liabilities</b>		
Hair styling	1,813	1,461
Money lending	82	82
Stock broking	14,299	9,279
Property investments	<u>58,086</u>	<u>62,426</u>
Total segment liabilities	74,280	73,248
Deferred tax liabilities	3,303	3,001
Bank borrowings	198,000	198,000
Other corporate and unallocated liabilities	<u>1,486</u>	<u>1,456</u>
Consolidated total liabilities	<u>277,069</u>	<u>275,705</u>

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

- all assets are allocated to reportable segments other than corporate assets, available-for-sale financial assets, financial assets at fair value through profit or loss, pledged bank deposits and certain bank deposits which are managed on group basis; and
- all liabilities are allocated to reportable segments other than 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Health styling	-	-	-	-	-	-	87	5	122	127
Money lending	1,551	1,728	-	-	-	-	-	-	-	-
Stock broking	396	503	-	-	-	-	9	38	35	41
Property investments	<u>3,449</u>	<u>3,872</u>	<u>3,500</u>	<u>30,200</u>	<u>1,198</u>	<u>1,278</u>	<u>3</u>	<u>16</u>	<u>280</u>	<u>530</u>
	5,396	6,103	3,500	30,200	1,198	1,278	99	59	437	698
Unallocated	<u>4,151</u>	<u>2,504</u>	-	-	<u>3,727</u>	<u>3,589</u>	<u>540</u>	<u>117</u>	<u>523</u>	<u>399</u>
Total	<u>9,547</u>	<u>8,607</u>	<u>3,500</u>	<u>30,200</u>	<u>4,925</u>	<u>4,867</u>	<u>639</u>	<u>176</u>	<u>960</u>	<u>1,097</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.

	Specified non-current assets		Revenue from external customers	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (place of domicile)	<b>258,956</b>	255,581	<b>29,439</b>	29,705
Macau	<b>61,313</b>	61,509	<b>4,626</b>	2,410
	<u><b>320,269</b></u>	<u>317,090</u>	<u><b>34,065</b></u>	<u>32,115</u>

## Information about a major customer

Revenue from one customer of the Group's property investments segment amounted to HK\$5,175,000 (2014: HK\$6,900,000) which represented more than 10% of the Group's revenue.

## 6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest charges on finance leases	30	15
Interest charges on bank loans	<u>4,895</u>	<u>4,852</u>
	<u><b>4,925</b></u>	<u><b>4,867</b></u>

## 7. (LOSS)/PROFIT BEFORE INCOME TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss)/Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	123	123
Depreciation of property, plant and equipment	837	974
Auditors' remuneration	619	617
Employee benefit expenses	27,571	25,053
Loss on disposal of property, plant and equipment	–	1
Provision for impairment on loans receivable	1,000	6
Rentals received/receivable from investment properties less direct outgoings of HK\$646,000 (2014: HK\$650,000)	(10,914)	(10,268)
Operating lease charges in respect of:		
– Buildings	3,422	3,414
– Motor vehicles and equipment	468	606
Exchange loss, net	<u>10,673</u>	<u>5,119</u>

## 8. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Income tax expense comprises:		
Current tax – Hong Kong profits tax	103	–
Deferred tax	<u>302</u>	<u>252</u>
	<u><b>405</b></u>	<u><b>252</b></u>

The Group is subject to Hong Kong profits tax which is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for the year. For the year ended 31 December 2014, no Hong Kong profits tax was provided as the relevant group entities either did not derive any assessable profit in Hong Kong or had unused tax losses brought forward for offset against the assessable profits of last year.

Pursuant to the tax rules and regulations of Macau, the subsidiaries incorporated and operated in Macau are liable to Macau Profits Tax at the rate of 12% (2014: 12%).

## 9. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2015 (2014: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to the owners of the Company of HK\$19,132,000 (2014: profit of HK\$14,489,000) and the weighted average number of 307,078,000 (2014: 303,626,000) ordinary shares in issue during the year.

No adjustment has been made to basic loss per share as the outstanding share options had anti-dilutive effect on the basic loss per share for the year ended 31 December 2015.

For the year ended 31 December 2014, the calculation of diluted earnings per share is based on the profit attributable to the owners of the Company of HK\$14,489,000 and the weighted average of 309,896,000 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 303,626,000 ordinary shares in issue during the year plus the weighted average of 6,270,000 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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<b>8,367</b>	10,208
Less: Provision for impairment	<b>(281)</b>	(281)
	<hr/>	<hr/>
Trade receivables, net	<b>8,086</b>	9,927
Other receivables and deposits	<b>5,631</b>	4,431
	<hr/>	<hr/>
	<b>13,717</b>	14,358
	<hr/>	<hr/>

The Group's trade receivables at the end of the reporting period 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, at the end of the reporting period is as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Repayable on demand – margin receivables*	<b>6,942</b>	7,254
0-30 days	<b>527</b>	2,446
31-60 days	<b>22</b>	42
61-90 days	<b>35</b>	–
Over 90 days	<b>560</b>	185
	<b>8,086</b>	9,927

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

## 12. TRADE PAYABLES

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Repayable on demand – Trust bank balances for funds placed by customers	<b>11,315</b>	5,919
0-30 days	<b>2,678</b>	3,026
31-60 days	<b>32</b>	41
	<b>14,025</b>	8,986

## 13. EVENTS AFTER THE REPORTING DATE

On 16 November 2015, the Group entered into a conditional sales and purchases agreement (“Agreement”) with an independent third party, Po Lee Capital Limited (“Purchaser”). According to the Agreement, the Group agreed to sell the entire issued share capital of Century Legend Securities Limited (“CL Securities”) (the “Disposal”) subject to the terms and conditions stated in the Agreement.

The Disposal has not yet been completed as at 31 December 2015. The major conditions as stipulated in the Agreement were subsequently fulfilled on 9 March 2016, and the management considers that the Disposal would be completed and scheduled on 23 March 2016. Upon Completion of the Disposal, CL Securities ceases to be a subsidiary of the Company. The consideration of the Disposal which is subject to adjustment, is estimated to be approximately HK\$24,000,000, resulting in estimated gain on disposal of approximately HK\$6,000,000.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Operation Review**

#### **General Performance**

2015 was a very difficult year in the world economy due to a dramatic slowdown in growth in Mainland China whose GDP had dipped to 6.9% last year. Increase in US federal interest rate and devaluation of RMB as well as currencies in other Asian countries against US dollars to which Hong Kong Dollar was pegged lead to drastic drop on number of tourists to Hong Kong especially tourists from Mainland China as a result of which the number of tourist arrivals edged down by about 10% last year. These adversely affected the retails sales which for the first eleven months of last year fell 3.1% year on year while retail rents in the traditional top four shopping locations in Hong Kong (namely Central, Causeway Bay, Tsim Sha Tsui and Mong Kok) recorded a full year decline of 23.7% according to Colliers Research.

During the year under review, the Group delivered a net loss of approximately HK\$18,443,000, compared to a net profit of approximately HK\$15,109,000 last year. The net loss was mainly attributable to the decrease of 88.4% in fair value gain on investment properties from HK\$30,200,000 last year to HK\$3,500,000 for the year under review. The unrealized exchange loss of approximately HK\$10,673,000 on RMB bank deposit is another reason for the net loss.

The Group's revenue increased approximately 6.1% from HK\$32,115,000 in 2014 to approximately HK\$34,065,000 in 2015 while the gross profit was increased 5.1% to HK\$23,962,000. Other income increased by 31.7% to HK\$9,890,000 resulting from additional high yield RMB bank deposits interest income and forfeiture of rental deposit amounted to HK\$1,050,000 from one of the tenants upon early termination of tenancy agreement. The administrative expenses increased 21.4% to \$49,935,000 mainly due to the unrealized exchange loss of HK\$10,673,000 incurred during the year which increased 108.5% from HK\$5,119,000 in the year 2014.

As at 31 December 2015, the Group's net asset value was approximately HK\$381,079,000 and net asset value per share was approximately HK\$1.23. The Group's total assets and total liabilities were approximately HK\$658,148,000 and HK\$277,069,000 respectively.

#### **Property Investment Business**

The Group made no acquisition or disposal in 2015. Asset values remained approximately the same as 2014 as fair value of our investment properties was only increased by HK\$3,500,000 during the year being 1.1% more of the fair value in the previous year. Total rental income was increased approximately 5.9% to HK\$11,560,000. Return from leasing the investment properties is about 6.5% comparing the gross rental income and cost of investments.

Rental income from Macau properties was increased approximately 91.9% to HK\$4,626,000 with an average yield of about 10.9%. Our retail shop was leased to a new tenant at a substantial rental increment by almost three fold at year end 2014 but unfortunately such tenancy was early terminated in July 2015. A new tenancy was then entered into the following month when agreed rental income was substantially lesser due to the economic downturn of Macau.

In Hong Kong the Group's investment properties comprise an en-bloc boutique hotel situated in Sheung Wan and some residential units in Taikoo Shing. Rental income was reduced approximately 18.5% to HK\$6,934,000 with investment yield being approximately 5.1%. The decrease was due to the expiry of tenancy of the en-bloc boutique hotel on 30 September 2015 and since then had been left vacant to undergo renovation. During the period of vacancy the Group had considered the cost effectiveness and economic benefits of disposing or renting the en-bloc boutique hotel. However in view of the appreciably weaker inbound tourism and the slowing economies of both Hong Kong and Mainland China, the Group decided to hold on to the investment property for leasing income and is now at the final stage of concluding a tenancy agreement with a potential tenant.

### **Hair Styling Business**

In 2015, the hair styling segment continued to be a stable and healthy contributor of returns to the Group. For the year under review, turnover of this segment amounted to HK\$17,797,000 representing an increase of 9.1% as compared with 2014 while segment profit increased by 16.3% from HK\$1,537,000 to approximately HK\$1,787,000. Increase in segment profit was mainly attributable to the increased revenue about 51.8% of which derived from the newly recruits back in 2014 while at the same time strenuous effort was made to keep the fixed overheads down.

### **Other Business Segments**

On 16 November 2015, a conditional sales and purchase agreement was entered into with an independent third party as purchaser for disposal of the entire issued share capital of Century Legend Securities Limited at consideration of approximately HK\$24,000,000. Completion of the transaction would be subject to conditions fulfilled, inter alia, approval of Securities and Futures Commission (SFC) on application of the purchaser to become a substantial shareholder of the target company. Notification dated 9 March 2016 from SFC of its approval regarding the transaction was received and completion is scheduled to take place on 23 March 2016.

Revenue from the stock brokerage business segment increased by 0.2% to HK\$3,157,000 compared with the previous year as the securities market was still volatile during the year under review. Segment profit decreased 15.4% by HK\$38,000 to HK\$209,000 in 2015 in the face of rising commission expense and administrative cost.

Money lending activities continued to generate positive results with turnover recorded a decrease of 10.2% to HK\$1,551,000 over the previous year. Segment profit went down 96.8% from HK\$1,213,000 in 2014 to HK\$39,000 mainly on account of provision of doubtful debt on one of the borrowers.

## **FINANCIAL REVIEW**

### **I. Liquidity and Financial Resources**

As at 31 December 2015, the Group had a cash and bank balance including pledged bank deposits of HK\$250,713,000 and net current assets of HK\$9,335,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2015 was approximately 1.03 (31 December 2014: 1.13).

The sales and purchase of the Group are mainly denominated in Hong Kong Dollars. Exposure to foreign currency exchange rates arising out of the Group's RMB deposit on hand. The Group at present does not have any contracts to hedge against its foreign exchange risks.

During the year, certain of the Group's investment properties and bank deposits were pledged to two banks to secure the bank borrowing of approximately HK\$247,351,000, 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 2015 (31 December 2014: Nil). The capital commitments as at 31 December 2015 amounted to HK\$1,605,000 (31 December 2014: Nil).

### **II. Capital Structure of the Group**

As at 31 December 2015, the Group had total equity of HK\$381,079,000, HK\$541,000 of fixed rate liability, HK\$247,351,000 of floating rate liability and HK\$29,177,000 of interest-free liabilities, representing 0.1%, 64.9% and 7.7% 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 2015 was approximately 0.09% (31 December 2014: 0.02%).



### **III. Employment Information**

As at 31 December 2015, the Group employed approximately a total of 43 employees (2014: 39). 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 2015, total staff costs (excluding Directors' emoluments) amounted to approximately HK\$10,060,000 (2014: HK\$9,344,000).

### **IV. Final Dividend**

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

## **PROSPECTS**

Looking forward to 2016, the outlook of global economy remains gloomy. While governments around the world have taken corresponding measures to stimulate economies, the results are yet to be seen. Further, Hong Kong and Macau have to deal with their own obstacles. For Hong Kong, in addition to external pressures, the economy is challenged by changes in local political ecology. With different political alignments, and the rise of localism and radicalism, social harmony no longer exists. As internal conflicts and division aggravated, many government policies (especially policies for construction of infrastructure and stimulating economy) could not materialize. On the other hand, social instability also dampened investors' faith in Hong Kong. The investment sentiment became prudent, and local consumer sentiment was indirectly undermined at the same time. In Macau, while its economy experienced a period of rapid growth for over a decade since its gaming industry opening up, its economic growth has been markedly sluggish under the impact of anti-corruption policies launched and continually implemented by the government of the mainland China and dwindling tourism. Currently, it is at a stage of in-depth adjustment. Under the backdrop of changing macro-market conditions, it is unlikely that the Macau economy will grow as rapidly as it used to be in the foreseeable future. As such, the Macau government has reviewed and adopted a series of measures to facilitate moderate economic diversity and industry restructuring with a view to better preparing and adapting to the new economic norm. However, economic transformation and industry adjustment will not occur over night and the development of new businesses will proceed progressively as scheduled, and therefore we may not witness the effect of new policies in short term.

In light of the lackluster economic situation in 2016, the Group will adopt more cautious investment strategies, which will be executed with prudence and closely control its expenditure in order to maintain its competitiveness. Meanwhile, we will pay more attention to economic change and take every chance to identify any suitable investment opportunity in the market for the Group.

## **CORPORATE GOVERNANCE PRACTICES**

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

Throughout the year of 2015, 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 discussed with the management of the Company the accounting principles and practices adopted by the Group and matters relating to internal control and financial reporting of the Group and reviewed the audited consolidated results of the Group for the year ended 31 December 2015.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

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

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

Hong Kong, 22 March 2016

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