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 2017

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 2017 together with the comparative figures for the year ended 31 December 2016 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Continuing operations			
Revenue	*3*	**28,390**	28,079
Cost of revenue		**(9,187)**	(9,131)
Gross profit		**19,203**	18,948
Other income	*4*	**26,406**	9,189
Fair value gain/(loss) on financial assets at fair value through profit or loss		**1,947**	(2)
Fair value gain on investment properties		**4,000**	2,809
Gain on disposal of available-for-sale financial assets		**2,361**	–
Administrative expenses		**(37,398)**	(51,972)
Finance costs	*6*	**(4,964)**	(4,943)
Profit/(Loss) before income tax	*7*	**11,555**	(25,971)
Income tax (expense)/credit	*8*	**(531)**	738
Profit/(Loss) for the year from continuing operations		**11,024**	(25,233)
Discontinued operation			
Profit for the year from discontinued operation	*9*	**–**	5,970
Profit/(Loss) for the year		**11,024**	(19,263)

* *For identification purposes only*

	Note	2017 HK$'000	2016 HK$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Revaluation of available-for-sale financial assets		**4,540**	604
Release upon disposal of available-for-sale financial assets		**(1,244)**	–
Other comprehensive income for the year		**3,296**	604
Total comprehensive income for the year		**14,320**	(18,659)
Profit/(Loss) for the year attributable to:			
Owners of the Company			
– from continuing operations		**10,793**	(25,587)
– from discontinued operation		**–**	5,970
		10,793	(19,617)
Non-controlling interests		**231**	354
		11,024	(19,263)
Total comprehensive income for the year attributable to:			
Owners of the Company		**14,089**	(19,013)
Non-controlling interests		**231**	354
		14,320	(18,659)
		HK cents	*HK cents*
Basic and diluted earnings/(loss) per share	*11*		
For continuing and discontinued operations			
– Basic		**3.48**	(6.33)
– Diluted		**3.38**	(6.33)
For continuing operations			
– Basic		**3.48**	(8.26)
– Diluted		**3.38**	(8.26)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,949**	3,571
Investment properties		**323,200**	319,200
Prepaid land lease payments		**3,454**	3,577
Available-for-sale financial assets		**19,029**	18,733
Loans receivable		**–**	9,200
		348,632	354,281
Current assets			
Inventories		**55**	51
Prepaid land lease payments		**123**	123
Financial assets at fair value through profit or loss		**6,741**	4,796
Trade and other receivables and prepayments	*12*	**4,689**	5,461
Loans receivable		**–**	27,706
Pledged bank deposits		**128,811**	115,330
Cash and bank balances		**150,065**	117,768
		290,484	271,235
Current liabilities			
Trade payables	*13*	**99**	84
Other payables and accruals		**13,623**	13,267
Obligations under finance leases		**288**	288
Bank borrowings (secured)		**243,089**	245,219
Tax payable		**1**	230
		257,100	259,088
Net current assets		**33,384**	12,147
Total assets less current liabilities		**382,016**	366,428

	2017	2016
	HK$'000	*HK$'000*
Non-current liabilities		
Obligations under finance leases	**404**	692
Deferred tax liabilities	**2,923**	2,438
	3,327	3,130
Net assets	**378,689**	363,298
EQUITY		
Share capital	**61,941**	61,941
Reserves	**312,442**	297,282
Equity attributable to the owners of the Company	**374,383**	359,223
Non-controlling interests	**4,306**	4,075
Total equity	**378,689**	363,298

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

2. ADOPTION OF NEW OR REVISED HKFRSs

(a) Adoption of new or revised HKFRSs – effective 1 January 2017

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 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKAS 7 Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note to the consolidated statement of cash flows.

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no material impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

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

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classifications and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019

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

HKFRS 9 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.

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9.

Debt instruments classified as trade and other receivables and prepayments, pledged bank deposits and cash and bank balances carried at amortised cost are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on principal outstanding. Accordingly, these financial assets will continue to be measured at amortised cost upon the application of HKFRS 9.

Equity instruments currently classified as available-for-sale for which a FVTOCI election is available and hence there will be no change to the accounting for these assets. Equity investments currently measured at FVTPL will continue to be measured on the same basis under HKFRS 9.

Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets. However, gains or losses realised on the sale of financial asset at FVTOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the revaluation reserve to accumulated losses.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed.

Except for the expected credit loss model which may result in earlier provision of credit losses, the directors do not anticipate that the application of HKFRS 9 will have material impact on the Group's financial statements.

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 HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

In 2016, the HKICPA issued clarifications to HKFRS 15. The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The directors anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors do not anticipate that the application will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 *Leases* and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of approximately HK$4,555,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In the consolidated statement of comprehensive income, as the leases will be capitalised in future, operating lease expenses will no longer be recorded for these leases while depreciation and interest expense will increase due to the depreciation charge on the right-of-use asset and the interest expense on the lease liability. The new standard is not expected to apply until the financial year ending 31 December 2019 and the impact on the Group's financial position and results upon the adoption of HKFRS 16 on those leases are not expected to be material. In addition, more quantitative and qualitative disclosures about the leases will be made following the requirements of HKFRS 16.

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

3. REVENUE

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

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Rendering of hair styling services	**17,454**	17,239
Interest income from money lending	**715**	1,585
Gross rental income from investment properties	**10,221**	9,255
	28,390	28,079

4. OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**8,232**	8,130
Dividend income from listed investments	**795**	924
Exchange gain	**16,352**	–
Sundry income	**1,027**	135
	26,406	9,189

5. SEGMENT INFORMATION

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

On 23 March 2016, the Group disposed of its wholly-owned subsidiary, Century Legend Securities Limited ("**CL Securities**"), which was principally engaged in the provision of stock broking services in Hong Kong and was included in the segment of stock broking. The segment of stock broking has been presented under the discontinued operation.

Continuing operations

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

Discontinued operation

Stock broking	–	Provision of stock broking services in Hong Kong (note 9)

Segment revenue and results

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

	Segment revenue		Segment results	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations				
Hair styling	**17,454**	17,239	**843**	1,217
Money lending	**715**	1,585	**1,248**	1,235
Property investments	**10,221**	9,255	**(7,199)**	(8,927)
Discontinued operation				
Stock broking	**–**	378	**–**	5,970
	28,390	28,457	**(5,108)**	(505)
Unallocated income			**5,404**	4,687
Exchange gain/(loss), net			**16,352**	(14,832)
Fair value gain/(loss) on financial instruments			**1,947**	(2)
Gain on disposal of available-for-sale financial assets			**2,361**	–
Corporate staff costs			**(5,143)**	(5,072)
Other corporate and unallocated expenses			**(4,258)**	(4,277)
Profit/(Loss) before income tax			**11,555**	(20,001)

Revenue reported above represents revenue generated from external customers.

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

Segment assets and liabilities

	2017	2016
	HK$'000	*HK$'000*
Segment assets		
Hair styling	**3,329**	6,061
Money lending	**35**	37,114
Property investments	**334,965**	329,826
Total segment assets	**338,329**	373,001
Available-for-sale financial assets	**19,029**	18,733
Financial assets at fair value through profit or loss	**6,741**	4,796
Pledged bank deposits	**128,811**	115,330
Short-term bank deposits	**141,848**	87,812
Other corporate and unallocated assets	**4,358**	25,844
Consolidated total assets	**639,116**	625,516
Segment liabilities		
Hair styling	**1,606**	2,088
Money lending	**73**	73
Property investments	**55,929**	57,386
Total segment liabilities	**57,608**	59,547
Deferred tax liabilities	**2,923**	2,438
Bank borrowings	**198,692**	198,980
Other corporate and unallocated liabilities	**1,204**	1,253
Consolidated total liabilities	**260,427**	262,218

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, pledged bank deposits and certain short-term bank deposits which are managed on group basis and other corporate and unallocated assets; and

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

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*
Continuing operations										
Hair styling	**15**	–	**–**	–	**–**	–	**11**	277	**120**	102
Money lending	**715**	1,585	**–**	–	**–**	–	**–**	–	**–**	–
Property investments	**4,347**	4,380	**4,000**	2,809	**4,926**	1,171	**28**	2,993	**229**	240
Discontinued operation										
Stock broking	**–**	75	**–**	–	**–**	–	**–**	–	**–**	7
	5,077	6,040	**4,000**	2,809	**4,926**	1,171	**39**	3,270	**349**	349
Unallocated	**3,870**	3,750	**–**	–	**38**	3,772	**18**	749	**453**	364
Total	**8,947**	9,790	**4,000**	2,809	**4,964**	4,943	**57**	4,019	**802**	713

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	
	2017	2016	**2017**	2016
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*
Hong Kong (place of domicile)	**265,938**	263,828	**24,502**	24,789
Macau	**63,665**	62,520	**3,888**	3,668
	329,603	326,348	**28,390**	28,457

Information about a major customer

Revenue from one customer of the Group's property investments segment amounted to HK\$4,637,000 (2016: HK\$3,284,000) which represented more than 10% of the Group's revenue.

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Interest charges on finance leases	**38**	34
Interest charges on bank loans	**4,926**	4,909
	4,964	4,943

7. PROFIT/(LOSS) BEFORE INCOME TAX

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Profit/(Loss) before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	**123**	123
Depreciation of property, plant and equipment	**679**	583
Auditor's remuneration	**520**	600
Employee benefit expenses	**27,756**	26,403
Gain on disposal of property, plant and equipment	**(9)**	–
Exchange loss, net	**–**	14,832
Reversal for impairment on loans receivable	**(972)**	(28)
Write-off of trade receivables	**363**	–
Rentals received/receivable from investment properties less direct outgoings of HK$686,000 (2016: HK$1,326,000)	**(9,535)**	(7,929)
Operating lease charges in respect of:		
– Buildings	**3,828**	3,586
– Motor vehicles and equipment	**468**	468

8. INCOME TAX EXPENSE/(CREDIT)

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Income tax expense/(credit) comprises:		
Current tax		
– Hong Kong profits tax	**86**	148
– Over-provision in respect of prior years	**(40)**	(21)
	46	127
Deferred tax	**485**	(865)
	531	(738)

The Group is subject to Hong Kong profits tax which is calculated at 16.5% (2016: 16.5%) of the estimated assessable profit for the 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% (2016: 12%).

9. 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 CL Securities (the "**Disposal**"). CL Securities was principally engaged in the provision of stock broking services in Hong Kong.

The Disposal was completed on 23 March 2016. The consideration for the Disposal was HK$23,598,000.

The results of CL Securities constituted a discontinued operation for the prior reporting period were set out below.

	Period from 1 January to 23 March 2016 *HK$'000*
Revenue	378
Cost of services provided	(54)
Gross profit	324
Other income	281
Administrative expenses	(489)
Profit before income tax	116
Income tax expense	–
Profit for the period	116
Gain on disposal of CL Securities	5,854
Profit for the period from discontinued operation	5,970

	Period from 1 January to 23 March 2016 *HK$'000*
Cash flows from discontinued operation	
Net cash used in operating activities	(1,262)
Net cash outflows	(1,262)

The assets and liabilities of CL Securities derecognised at the date of disposal on 23 March 2016 were as follows:

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

Gain on disposal of CL Securities was calculated as follows:

	HK$'000
Consideration received	23,598
Net assets disposed of	(17,598)
Transaction costs of the disposal	(146)
Gain on disposal	5,854

Net cash inflow from disposal of CL Securities was calculated as follows:

	HK$'000
Consideration received	23,598
Less: Cash and bank balances disposed of	(11,326)
	12,272

10. DIVIDENDS

The Directors do not recommend a payment of final dividend for the year ended 31 December 2017 (2016: Nil).

11. EARNINGS/(LOSS) PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Profit/(Loss) attributable to owners of the Company		
Profit/(Loss) from continuing operations	**10,793**	(25,587)
Profit from discontinued operation	**–**	5,970
Profit/(Loss) from continuing and discontinued operations	**10,793**	(19,617)

	2017	2016
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**309,706**	309,706

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

For the purposes of calculating diluted loss per share for the year ended 31 December 2016, no adjustment has been made to the basic loss per share for continuing and discontinued operations as well as for continuing operations as the exercise of the outstanding share options would result in decrease in the basic loss per share.

Earnings per share from discontinued operation for the year ended 31 December 2016 were as follows:

	HK cents
Basic	1.93
Diluted *(note)*	1.87

Note:

The calculation of diluted earnings per share for discontinued operation for the year ended 31 December 2016 was based on the profit from discontinued operation attributable to owners of the Company of HK$5,970,000 and the weighted average of 319,801,000 ordinary shares outstanding after adjusting for the effects of the outstanding share options.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**662**	1,586
Less: Provision for impairment	**–**	–
Trade receivables, net	**662**	1,586
Other receivables, deposits and prepayments	**4,027**	3,875
	4,689	5,461

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

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

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**662**	1,223
31-60 days	**–**	–
61-90 days	**–**	–
Over 90 days	**–**	363
	662	1,586

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. As assessed by the directors, no impairment allowance is necessary in respect of trade receivables at 31 December 2017 and 2016.

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:

	2017	2016
	HK$'000	*HK$'000*
1-30 days past due	**662**	79
31-60 days past due	**–**	–
61-90 days past due	**–**	–
Over 90 days past due	**–**	363
	662	442

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 fully recoverable.

13. TRADE PAYABLES

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

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**72**	46
31-60 days	**27**	38
	99	84

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

General Performance

Being open markets, both Hong Kong and Macau wherein the Group operates, are highly sensitive to global economic changes. In 2017 the global economy has strengthened with many countries recording GDP growth above expectations including Hong Kong and Macau which experienced strong GDP growth of 3.7% and 9.1 % respectively. It is general expectation that both Hong Kong and Macau will maintain strong annual GDP growth in the near term. Given this positive economic outlook, overall local business sentiment improved over 2017 as manifested by the robust property market as well as the stock and capital markets last year.

During the year under review, the Group's net profit was approximately HK$11,024,000 compared to the net loss of HK$19,263,000 in 2016. The net profit was mainly attributable to the unrealised exchange gain of HK$16,352,000 derived from Renminbi bank deposits held.

The Group's revenue slightly increased approximately 1.1% from HK$28,079,000 in 2016 to approximately HK$28,390,000 in 2017 while the gross profit increased by 1.3% to HK$19,203,000. Other income increased by 187.4% to HK$26,406,000 which was mainly due to the unrealised exchange gain of HK$16,352,000 aforesaid as Renminbi appreciated throughout the year. The administrative expenses decreased by 28.0% to HK$37,398,000 mainly due to the unrealised exchange loss of HK$14,832,000 incurred in last year.

As at 31 December 2017, the Group's net asset value was approximately HK$378,689,000 and net asset value per share was approximately HK$1.22. The Group's total assets and total liabilities were approximately HK$639,116,000 and HK$260,427,000 respectively.

Property Investment Business

The Hong Kong and Macau property markets had a robust 2017 with price and transaction volume increasing from the previous year, in particular, the Hong Kong residential market in which according to market data price and transaction volume rose 13% and 24% respectively. Property developers had been aggressive in bids for residential sites with more Chinese investors becoming active players in the local property markets in the recent year. Meanwhile there was little noticeable impact from the cooling measures imposed by the HKSAR Government including tightened stamp duty exemption for residential property purchases along with tightened mortgage lending. After a downturn lasting three years or so 2017 has marked a revival of Hong Kong's retail market with total retail sales driven upward by growing local demand tied to favourable income and employment trends coupled with increasing visitor arrivals. Retail property market has emerged from its long slump as numerous retail brands accross sectors chose Hong Kong as stepping stone to kick off their international expansion.

The Group made no acquisition or disposal in 2017. Asset values remained approximately the same as in 2016 as fair value of our investment properties was only increased by HK$4,000,000 during the year attributable to the valuation gain from our office investment properties in Macau and the residential investment properties in Hong Kong. Total rental income was increased by approximately 10.4% to HK$10,221,000. Return from leasing the investment properties is about 5.7% comparing the gross rental income and cost of investments.

Rental income from Macau properties was increased by approximately 6.0% to HK$3,888,000 with an average yield of about 9.2% comparing the gross rental income and cost of investments. It was due to increase in rental rate upon renewal of office investment properties since August 2017.

In Hong Kong total rental income derived from the Group's en-bloc boutique hotel situated in Sheung Wan and some residential units in Taikoo Shing was increased by approximately 13.3% to HK$6,333,000 with investment yield being approximately 4.6%. Other than the higher rental rate secured from leases renewed during the year, the increase was partly explained by full year coverage of rental income from boutique hotel in year 2017 since the new tenancy agreement commenced in mid-April 2016.

Looking into 2018, a few of our residential investment properties leases in Hong Kong will expire but we are confident in securing a renewed lease with reasonable rental rate increment. On the other hand over in Macau, both leases of our office and retail shop investment properties will expire in the later half of this year and irrespective if we are renewing the lease with existing tenants or finding a replacement tenant, we are currently assessing the implication the certain amendments to the Rental Bill recently passed by lawmakers in Macau would have on our future leasing terms and conditions.

Hair Styling Business

In 2017, 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$17,454,000 representing a increase of 1.2% as compared with 2016 even though segment profit decreased by 30.7% from HK$1,217,000 to approximately HK$843,000. Decrease in segment profit was mainly attributable to the double digit percentage increase in rental expenses after renewal of the tenancy agreement in May 2016 and increasingly high staff cost being a labour intensive business segment. In future as in the past stringent measures will be taken to control costs while at the same time deploying various means and marketing strategies to boost turnover.

Other Business Segments

Money lending turnover substantially reduced 54.9% to HK$715,000 over the previous year. This was due to early repayment of two substantial personal loans. Despite the reduced turnover, segment profit increased from HK$1,235,000 in 2016 to HK$1,248,000 when a bad debt amounted to $972,000 was recovered from one of the borrowers. Going forward, the Group will continue to adopt a cautious approach to manage credit risks, however it is not unexpected that turnover in this segment may further shrink as the Group's surplus funding will be allocated to treasury and yield enhancement products when prevailing circumstances are considered to be appropriate.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2017, the Group had a cash and bank balance including pledged bank deposits of HK$278,876,000 and net current assets of HK$33,384,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2017 was approximately 1.13 (31 December 2016: 1.05). The Group maintained a healthy working capital position during 2017.

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

During the year, the Group's investment properties, prepaid land lease payments and certain bank deposits were pledged to two banks to secure the bank borrowing of approximately HK$243,089,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. The Group did not have significant contingent liabilities as at 31 December 2017 (31 December 2016: Nil). There is no capital commitments as at 31 December 2017 (31 December 2016: Nil).

II. Capital Structure of the Group

As at 31 December 2017, the Group had total equity of HK$378,689,000, HK$692,000 of fixed rate liability, HK$243,089,000 of floating rate liability and HK$16,646,000 of interest-free liabilities, representing 0.2%, 64.2% and 4.4% 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 31 December 2017 was approximately 0.1% (31 December 2016: 0.2%).

III. Significant Investments, Material Acquisition and Disposal

During the year ended 31 December 2017, the Group had not made any significant investments or material acquisition and disposal.

IV. Employment Information

As at 31 December 2017, the Group employed approximately a total of 33 employees (2016: 35). 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 2017, total staff costs (excluding Directors' emoluments) amounted to approximately HK$8,695,000 (2016: HK$8,836,000).

V. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

Prospects

In the past year, despite uncertainties and challenges due to various geopolitical issues such as the tension on Korean Peninsula and pending Brexit process, the global economy achieved moderate growth thanks to improving output value of global trade and the industry as well as rising business and consumer sentiments. The economy of mainland China developed stably amid upgrade and transformation of the economic structure, shifting its focus from quantity development to quality development, to the benefit of the country's long-term development. Catching the tailwind of these factors, the overall economy of Hong Kong and Macau outperformed the expectation, and the Group's business operations in these two regions achieved satisfactory results in line with the expectation.

Looking ahead to 2018, while the global economy is expected to continue the steady and relatively rapid growth of last year, it will face some challenges, including more frequent rate hikes of the United States, the revival of trade protectionism, the volatility of the global financial market, and geopolitical risks. With their highly open economies, Hong Kong and Macau will inevitably be affected by these factors. However, the economies of both regions are currently in a good shape, underpinned by development of their pillar industries. The number of visiting tourists continues to rise, boosting business activities in the tourist industry while bringing momentum and vitality to the peripheral industries. With unemployment rate maintained at a low level, citizens enjoy steady income and the consumer confidence improves. Meanwhile, the economy of mainland China is undergoing structural upgrade and transformation to progressively reform itself to achieve the strategic goals of the state. Future economic development of the country is expected to be geared towards high quality and sustainability. Hong Kong and Macau have long been included in the state's overall development plan. The recently published report to the 19th CPC National Congress and the government work report specifically set forth the positioning of Hong Kong and Macau in the national development plan, laying a foundation for the two regions to participate in such national development strategies as the "One Belt, One Road" initiative and the construction of the "Guangdong-Hong Kong-Macau Greater Bay Area".

Of these national development strategies, we believe the construction of the Guangdong-Hong Kong-Macau Greater Bay Area will have significant impacts on the development of Hong Kong and Macau. The construction of the Greater Bay Area will tightly connect the nine cities in the Bay Area, especially the two special administration regions. Under the arrangement of "One Country, Two Systems", they will be able to develop in separate yet complementary directions, each focusing on its own strengths and together achieving multi-focus development, improving the allocation and utilization of resources in the Greater Bay areas, thereby resolving the "bottle neck" issues facing the regions in their development. Hong Kong and Macau will enjoy new development opportunities presented by the construction of the Greater Bay Area.

The Group is optimistic about the economic development of Hong Kong and Macau. We will enhance our resource allocation by leveraging the Group's robust financial position and the satisfactory performance of our core businesses to expand our business and strengthen the Group's asset portfolio. We will hold ourselves accountable to shareholders and stakeholders and adopt a prudent philosophy when making investment decisions, as we believe that rigorous financial planning and management is the cornerstone that supports the Group in its combat against various changes and challenges in the market.

CORPORATE SOCIAL RESPONSIBILITY

The Group always strives for being an outstanding member of the communities in the territories it operates, Hong Kong and Macau. As such, each year the management would set targets to achieve goals of community care and environmental protection by actively participating in various social services. In the future the Group shall continue to seek innovative and meaningful ways to engage its employees and associates in building stronger and more vibrant communities.

During the year 2017, the Group was honoured with the following awards:

- “Caring Company” by the Hong Kong Council of Social Services for 9 years in succession,
- “The Hong Kong Outstanding Corporate Citizenship Award Scheme for SME Category for 3 years and Volunteer Team Category” by the Hong Kong Productivity Council for 3 years,
- “Good MPF Employer” by Mandatory Provident Fund Schemes Authority for 3 years,
- “SME in their Manpower Developer Award Scheme” by the Employee Retraining Board with Manpower Developer for 3 years,
- “Social Capital Builder” award by the Hong Kong Productivity Council

The Group is always firmly committed to operating as a socially-responsible company across all of its business operations and a more detailed Corporate Social Responsibility Report of our activities during the year will be posted in our company‘s website later.

CORPORATE GOVERNANCE PRACTICES

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

Throughout the year of 2017, the Company has complied with all Code Provisions in the Code of Corporate Governance Practices (the “**CG Code**”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rule**”) except for certain areas of non-compliance that are discussed below.

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

AUDIT COMMITTEE REVIEW

The Audit Committee has discussed with the management of the Company the accounting principles and practices adopted by the Group and matters relating to internal audit, internal control, financial reporting of the Group and reviewed the annual results and consolidated accounts of the Group for the year ended 31 December 2017.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong by not later than 4:30 p.m. on Friday, 18 May 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the year under review.

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

Hong Kong, 28 March 2018

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. Hui Yan Kit, Mr. Au Chi Wai Edward and Mr. Lau Pui Wing.