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 2022

The board of directors (the "**Board**") of Century Legend (Holdings) Limited (the "**Company**") announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2022 together with the comparative figures for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Notes	**2022** *HK$'000*	2021 *HK$'000*
Revenue	*3*	**36,381**	36,492
Cost of revenue		**(18,920)**	(23,700)
Gross profit		**17,461**	12,792
Other income	*3*	**13,438**	7,212
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(11,410)**	122
Fair value (loss)/gain on investment properties		**(2,800)**	900
Administrative expenses		**(36,369)**	(29,136)
Impairment loss on right-of-use assets		**(1,993)**	(3,383)
Finance costs	*5*	**(5,570)**	(3,317)
Loss before income tax	*6*	**(27,243)**	(14,810)
Income tax (expense)/credit	*7*	**(90)**	498
Loss for the year		**(27,333)**	(14,312)

* *For identification purposes only*

	Note	**2022**	2021
		HK$'000	*HK$'000*
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**(19)**	580
Other comprehensive income for the year		**(19)**	580
Total comprehensive income for the year		**(27,352)**	(13,732)
Loss for the year attributable to:			
Owners of the Company		**(27,266)**	(12,491)
Non-controlling interests		**(67)**	(1,821)
		(27,333)	(14,312)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(27,285)**	(11,911)
Non-controlling interests		**(67)**	(1,821)
		(27,352)	(13,732)
		HK cents	*HK cents*
Loss per share	*9*		
Basic		**(8.36)**	(3.83)
Diluted		**(8.36)**	(3.83)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK$'000	2021 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**226,534**	226,446
Investment properties		**128,200**	131,000
Intangible assets		**2,100**	–
Financial assets at fair value through other comprehensive income		**5,007**	5,026
Deferred tax assets		**449**	558
		362,290	363,030
Current assets			
Inventories		**150**	139
Financial assets at fair value through profit or loss	*10*	**58,940**	70,445
Trade and other receivables, deposits and prepayments	*11*	**7,999**	4,989
Amount due from non-controlling interest		**10**	10
Pledged bank deposits		**86,248**	80,989
Cash and bank balances		**15,088**	27,596
		168,435	184,168
Current liabilities			
Trade payables	*12*	**328**	259
Other payables and accruals		**7,797**	5,263
Amount due to a shareholder		**15,000**	15,000
Contract liabilities		**70**	86
Lease liabilities		**5,558**	8,024
Bank borrowings (secured)		**201,181**	193,653
		229,934	222,285
Net current liabilities		**(61,499)**	(38,117)
Total assets less current liabilities		**300,791**	324,913

	2022	2021
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**5,460**	1,791
Bank borrowings (secured)	**7,710**	8,130
Deferred tax liabilities	**6,693**	6,712
	19,863	16,633
Net assets	**280,928**	308,280
EQUITY		
Share capital	**65,215**	65,215
Reserves	**215,433**	242,718
Equity attributable to the owners of the Company	**280,648**	307,933
Non-controlling interests	**280**	347
Total equity	**280,928**	308,280

Notes:

1. GENERAL INFORMATION

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

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

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

2. ADOPTION OF NEW OR REVISED HKFRSs

(a) Adoption of new or revised HKFRSs - effective on 1 January 2022

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 2022:

Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 9 Financial Instruments and HKFRS 16 Leases

The directors of the Company consider that these new or amended HKFRSs has no material impact on the Group's results and financial position for the current or prior period and/or accounting policies.

(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.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
HK Interpretation 5 (2022)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]

[1] Effective for annual periods beginning on or after 1 January 2023

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

[3] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible effect of these new and amendments standards on the Group's results and financial position in the first year of application. They considered that those new and amendments to HKFRS that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

3. REVENUE AND OTHER INCOME

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

	2022	2021
	HK$'000	*HK$'000*
Revenue		
Rendering of hair styling services and related product sales	**15,085**	16,314
Securities investments	**3,018**	3,006
Hospitality services income	**14,437**	11,982
Gross rental income from investment properties	**3,821**	4,303
Interest income from money lending	**20**	6
Service income from property management projects	**–**	881
	36,381	36,492
Other income		
Bank interest income	**1,987**	2,262
Dividend income from listed investments classified as financial assets at fair value through other comprehensive income ("**FVOCI**")	**273**	256
Exchange gain	**–**	3,095
Gain on disposal of property, plant and equipment	**7,462**	–
Government subsidies (Note)	**2,266**	244
Sundry income	**1,450**	1,355
	13,438	7,212

Note: In 2022, among the government subsidies, an amount of HK$911,000 (2021: HK$ nil) was government grants obtained from the Employment Support Scheme ("**ESS**") under the Anti-epidemic Fund launched by the Government of the Hong Kong Special Administrative Region supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group has complied with the requirements set out in the ESS for the year ended 31 December 2022.

4. SEGMENT INFORMATION

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

Hair styling	–	Provision of hair styling and related services and product sales in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong
Property investments	–	Investing in commercial and residential properties for rental income and for potential capital appreciation in both Macau and Hong Kong
Securities investments	–	Investing in listed equity securities in Hong Kong and equity-linked investments in Hong Kong
Hospitality services	–	Provision of hospitality services in Hong Kong
Property project management	–	Provision of property related project management service

Segment revenue and results

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

	Segment revenue		**Segment results**	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**15,085**	16,314	**(295)**	(108)
Money lending	**20**	6	**(2)**	(10)
Property investments	**3,821**	4,303	**(7,076)**	(3,122)
Securities investments	**3,018**	3,006	**(8,391)**	3,128
Hospitality services	**14,437**	11,982	**3,721**	(5,635)
Property project management	**–**	881	**(75)**	(91)
	36,381	36,492	**(12,118)**	(5,838)
Unallocated income			**11,338**	3,665
Exchange (loss)/gain, net			**(7,735)**	3,095
Corporate staff costs			**(7,330)**	(7,492)
Other corporate and unallocated expenses			**(11,398)**	(8,240)
Loss before income tax			**(27,243)**	(14,810)

Revenue reported above represents revenue generated from external customers.

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

Segment assets and liabilities

	2022	2021
	HK$'000	*HK$'000*
Segment assets		
Hair styling	**10,129**	5,918
Money lending	**2,157**	114
Property investments	**133,151**	137,025
Securities investments	**58,953**	70,473
Hospitality services	**219,354**	220,768
Property project management	**19**	71
Total segment assets	**423,763**	434,369
Deferred tax assets	**449**	558
Financial assets at FVOCI	**5,007**	5,026
Pledged bank deposits	**86,248**	80,989
Short-term bank deposits	**–**	20,598
Other corporate and unallocated assets	**15,258**	5,658
Consolidated total assets	**530,725**	547,198
Segment liabilities		
Hair styling	**8,860**	3,108
Money lending	**10**	10
Property investments	**14,333**	15,168
Hospitality services	**34,120**	40,580
Property project management	**30**	40
Total segment liabilities	**57,353**	58,906
Deferred tax liabilities	**6,693**	6,712
Bank borrowings (secured)	**164,819**	155,120
Other corporate and unallocated liabilities	**20,932**	18,180
Consolidated total liabilities	**249,797**	238,918

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

– all assets are allocated to reportable segments other than deferred tax assets, financial assets at FVOCI, pledged bank deposits and short-term bank deposits which are managed on group basis and other corporate and unallocated assets; and

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

Other segment information

	Interest income		Fair value (loss)/gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**1**	–	**–**	–	**167**	127	**54**	36	**2,492**	3,197
Property investments	**1**	–	**(2,800)**	900	**303**	270	**–**	–	**167**	169
Hospitality services	**–**	–	**–**	–	**1,015**	866	**2,200**	–	**2,142**	5,221
	2	–	**(2,800)**	900	**1,485**	1,263	**2,254**	36	**4,801**	8,587
Unallocated	**1,985**	2,262	**–**	–	**4,085**	2,054	**2,331**	16	**1,713**	1,685
Total	**1,987**	2,262	**(2,800)**	900	**5,570**	3,317	**4,585**	52	**6,514**	10,272

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

During the year ended 31 December 2021, an impairment loss on right-of-use assets amounted to HK$3,383,000 was recognised for the segment of hospitality services.

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets and deferred tax 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	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**274,510**	273,655	**33,934**	33,665
Macau	**82,324**	83,791	**2,447**	2,827
	356,834	357,446	**36,381**	36,492

Information about a major customer

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2022 and 2021.

Disaggregation of revenue

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

	2022	2021
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Timing of revenue recognition – Over time		
Hair styling services	**14,440**	15,586
Hospitality services	**14,437**	11,982
Property project management services	**–**	881
Timing of revenue recognition – At a point in time		
Product sales under hair styling services	**645**	728
Revenue from other sources		
Rental income	**3,821**	4,303
Interest income from money lending	**20**	6
Securities investments	**3,018**	3,006
	36,381	36,492

5. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
Interest charges on bank loans	**5,193**	2,735
Interest charges on lease liabilities	**377**	582
	5,570	3,317

6. LOSS BEFORE INCOME TAX

	2022	2021
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	**724**	659
Depreciation		
Property, plant and equipment	**432**	847
Right-of-use assets:		
– Leasehold land and buildings (owned assets)	**1,189**	1,201
– Other properties leased for own use (under lease arrangement)	**4,893**	8,224
Exchange loss, net	**7,735**	–
Employee benefit expenses (including Directors' emoluments)	**22,725**	23,473
Gain on written-back of amount due to non-controlling interest	**–**	(2)
Rentals received/receivable from investment properties less direct outgoings of HK$458,000 (2021: HK$349,000)	**(3,363)**	(3,954)
Short-term leases expenses	**456**	456

7. INCOME TAX EXPENSE/(CREDIT)

	2022	2021
	HK$'000	*HK$'000*
Current tax - Hong Kong Profits Tax	**–**	–
Deferred tax	**90**	(498)
	90	(498)

The Group is subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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% (2021: 12%).

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

8. DIVIDENDS

The directors do not recommend a payment of final dividend for the year ended 31 December 2022 (2021: nil).

9. LOSS PER SHARE

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

	2022	2021
	HK$'000	*HK$'000*
Loss for the year		
Loss attributable to owners of the Company	**(27,266)**	(12,491)
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**326,077**	326,077

For the purposes of calculating diluted loss per share for the years ended 31 December 2022 and 2021, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect on the basic loss per share.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	HK$'000	*HK$'000*
Listed equity investments held for trading, at fair value	**58,940**	70,445

Financial assets at fair value through profit or loss represents listed equity investments held for trading, at fair value.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022	2021
	HK$'000	*HK$'000*
Trade receivables	**–**	158
Other receivables, deposits and prepayments	**7,999**	4,831
	7,999	4,989

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 loss allowance, at the end of the reporting period is as follows:

	2022	2021
	HK$'000	*HK$'000*
0-30 days	**–**	86
31-60 days	**–**	–
61-90 days	**–**	–
More than 90 days	**–**	72
	–	158

No loss allowance was provided for the year ended 31 December 2022 (2021: nil) as there has not been a significant change in credit quality based on historical experience. The Group determined that there were no significant financial impact arising from expected credit losses model under HKFRS 9 for all trade and other receivables and deposits. The Group does not hold any collateral over these balances.

12. TRADE PAYABLES

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

	2022	2021
	HK$'000	*HK$'000*
0-30 days	**243**	187
31-60 days	**58**	72
61-90 days	**27**	–
	328	259

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

General Performance

2022 was a challenging year for the global economy filled with uncertainties and complexities. On the one hand, signs of recovery began to emerge in Q2 2022 following the gradual uplifting of travel restrictions by major western economies when the COVID-19 epidemic situation receded. On the other hand, the combination of loose monetary policies and fiscal stimulus during the pandemic together with the supply chain disruptions have fostered rising inflation globally. The ongoing Russian-Ukraine war pushed energy prices up and aggravated the situation further. To address the predicament, most central banks in the western economies tightened monetary policies and raised interest rates. During the year US Federal Reserve hiked interest rate for a total of 450 basis points to curb the country's inflation rate that reached record high of 9.1% year on year in June 2022. Under the high interest environment most of the time in 2022, not only the Group incurred a noticeable higher financial cost but the strength of the USD which had appreciated considerably against most other currencies led to the unrealized exchange loss from the substantial RMB deposits held by the Group. In addition, fair value loss on financial assets at fair value through profit or loss was incurred since as a rule of thumb, the higher cost of money tends to impact prices of capital assets such as stocks negatively.

During the year under review, the Group's net loss increased by 91% to approximately HK$27,333,000 after netting the effects for (i) gain on disposal of property of HK$7,462,000 in 2022 but not in 2021; (ii) unrealized RMB exchange loss of HK$7,735,000 in the year under review instead of unrealized RMB exchange gain of HK$3,095,000 the year before; (iii) fair value loss on financial assets at fair value through profit or loss of HK$11,410,000 instead of fair value gain of financial assets at fair value through profit or loss at HK$122,000 in 2021; (iv) increase in finance costs of HK$2,253,000 compared to 2021; (v) fair value loss on investment properties of HK$2,800,000 instead of fair value gain on investment properties of HK$900,000 the year before, and (vi) increase in government subsidies of HK$2,022,000 compared to 2021.

The Group's revenue decreased in aggregate by approximately 0.3% to HK$36,381,000 in 2022. Despite hospitality services income surged by about 20% in the year, total revenue dropped attributed to (i) income loss in hair styling business as hair salon for the first time was listed as scheduled premises with order to suspend operations as the HKSAR government tightened social distancing measures in view of the epidemic upheaval in February 2022. (ii) rental income from investment properties decreased from rental concessions to tenants and vacanted premises and (iii) property project management business segment did not generate income in the year. Gross profit for the year under review increased approximately 37% to HK$17,461,000. The increase was mainly due to the substantial reduced depreciation on right-of-use assets which increased gross profit from hospitality business segment.

Other income increased by 86% to HK$13,438,000. It was mainly due to gain on disposal of warehouse property of HK$7,462,000 and increase in government subsidies of HK$2,022,000. The increment in aggregate was partially offset by the absence of unrealized RMB exchange gain in the reviewing year due to the weak currency rate versus an unrealized exchange gain of HK$3,095,000 in 2021.

Finance costs increased by HK$2,253,000 due to increase in HIBOR interest rate during the year under review. The administrative expenses increased by HK$7,233,000 to HK$36,369,000 mainly attributed to unrealized exchange loss on RMB deposits at HK$7,735,000. Without the unrealized RMB exchange loss, the administrative expenses was in fact decreased by approximately 2% as compared to 2021 after the Group's various endeavours taken to rein in cost included continuing freezing all payroll and discretionary year-end bonus of staff and management alike to keep the Group's competitive edge in the adverse economy.

As at 31 December 2022, the Group's net asset value was approximately HK$280,928,000 and net asset value per share was approximately HK$0.86. The Group's total assets and total liabilities were approximately HK$530,725,000 and HK$249,797,000 respectively.

Property Investments Business

During the year under review, total rental income contributed from Hong Kong and Macau investment properties amounted to HK$3,821,000 decreased by approximately 11% compared to last year. This was mainly attributed to (i) vacancy period in between old lease expired and new lease commenced and (ii) rental concessions offered to tenants whose businesses were adversely impacted by COVID-19 situation during the year under review. Return from leasing the investment properties was about 4% comparing the gross rental income and original cost of investments. Valuation loss on the investment properties of HK$2,800,000 increased the segment loss to HK$7,076,000 for the year under review and total valuation of the investment properties dropped to HK$128,200,000 as at year end 2022.

In Hong Kong total rental income derived from the Group's retail shop in Sheung Wan and residential units in Taikoo Shing decreased approximately 4% to HK$1,374,000 with investment yield being approximately 5% when compared gross rental income to original cost of investment. The decreased rental income was mainly due to the rent free periods granted to the retail shop tenant and applied in the year when the tenancy was renewed in April 2022. The pandemic took a heavy toll in the retail sector at the start of 2022 when the fifth wave of the COVID-19 outbreak hitted Hong Kong hard, leading to a tightening of all related safety measures to their most stringent level. It was only towards the end of the 1Q 2022 at the time our shop tenancy was about to expire, the retail market gradually stabilized as COVID-related measures eased and the pandemic situation improved. To retain the existing shop tenant, renewed lease was signed with effective rental rate down by about 16%.

Rental income from Macau properties decreased by approximately 15% to HK$2,447,000, mainly due to (i) similar to Hong Kong tenants rent free periods was granted to a long term quality tenant and applied in the year upon the renewal of its office tenancies and (ii) rental concession granted to the retail shop tenant. Macau experienced its worst community COVID-19 outbreak in June 2022 resulting in the government implemented many enhanced COVID-19 restrictions in the attempt to contain the pandemic. Impacted by the epidemics and waves of early termination of leases by tenants, the leasing market was sluggish during the year and under pressure while overall vacancy rate rose. In our portfolio, there is still one vacant office unit which has been vacant since Q2 2021 but our residential unit has been leased out in Q4 2022 after over two years' vacancy even though rental rate was only about 65% of the pre COVID level. An average yield of about 4% comparing the gross rental income and original cost of investments on Macau properties was recorded.

There is no acquisition or disposal of investment properties during the year under review. Looking ahead, an improved economic outlook in tandem with the return of economic activities from the epidemic to normalcy should render a boost to real estate market. Morgan Stanley has raised the property price forecast for Hong Kong to a 10% rise from 5% earlier. With the government's commitment to lower first time home buyers tax band of Ad Valorem Stamp Duty in its latest budget, new home transactions are expected to pick up both in the primary and secondary market. The Group may consider to take the opportunity to realize its investment for a reasonable good return by disposing some non-core property as its tenancy expires in the year. For leases that are only due to expire in 2024 and beyond, we are hopeful capturing some rental upside as the economy further recovers.

Hair Styling Business

Turnover of this segment decreased by approximately 8% to HK$15,085,000 which was mainly attributed to business closure when the salon was listed for the first time as scheduled premises and the government tightened social distancing measures during the fifth wave of COVID-19 in Hong Kong. Retail product sales was also negatively impacted decreasing 11% from the year before to HK$645,000. Segment net loss was increased to HK$295,000 compared to net loss of HK$108,000 the year before after the net off of (i) decrease in revenue, (ii) impairment loss on right-of-use assets of HK$1,264,000, and (iii) government subsidies of HK$377,000 received in year 2022 but not in year 2021.

Hair styling business has always contributed a stable income stream to the Group although running a successful salon is definitely challenging requiring super people management skills. The industry is all about service experience, customer satisfaction and building relationships with customers, so hiring and retaining the right talents is crucial to the business's success. Now more than ever we are facing high turnover in juniors and then some of our top-notch professional hair stylists/technicians are aging towards retirement. Finding and enticing new entrants into the industry has been difficult and we incurred rising labour cost trying to lower turnover and increase retention with existing engaged employees. So far the management cannot foresee the labour shortage issue along with rising labour cost can be resolved in the near term but we were able to lock up rental expense, the other major operating cost other than staff cost, for three years. The tenancy at the current salon premises which expired in August 2022 was renewed after due evaluation of the prevailing market rental rate of the comparable premises in the neighborhood at the time and the renovation cost associated with relocation. Looking into 2023 while we will work strenuously to improve our service efficiencies and right-size our cost base, we remain focus on the long term strategy to expand our product sales by sourcing and introducing new branded products. The government's new round of Consumption Voucher Scheme hopefully can boost up our product sales which was seen declining in the last couple of years.

Hospitality Service Business

Turnover of the segment increased 20% to HK$14,437,000 with segment profit of HK$3,721,000. Increase in turnover was mainly attributed to a short term contract from a NGO providing over 50 rooms for its staff accommodation during the Omicron outbreak in the community and increase in business travellers due to government's relaxation of anti-epidemic measurers in second half of 2022. Turnaround in segment profit was mainly attributed to (i) government subsidies received amounted to HK$943,600; (ii) decrease in depreciation on right-of-use assets of North Point hostel amounted to approximately HK$3,083,000 with impairment provision made in year 2021; and (iii) impairment on right-of-use assets of North Point hostel amounted to HK$3,383,000 provided in year 2021 with no further provision made in the year under review.

During the year COVID-19 pandemic and closure of borders continued to adversely affect business in the absence of the mass market of Mainlanders and international travellers and the business survived on local demand. With slowly relaxation of compulsory station of 14 days in quarantine hotel to 3 days home stay eventually in the Q4 2022, more business travellers visited Hong Kong. We benefited from these measures as travellers had more choices for accommodation instead of compulsory stay in the quarantine hotel which we were not one. Our two hostels posed average 88% occupancy in 2022 compared with 90% occupancy in the year before whereas average room rate had increased about 26% in between the two years. Occupancy rates was satisfactory and comparable with peers as we had adopted the most flexible pricing strategy making timely adjustments on room tariffs to align with the changing market supply and demand.

With total release of almost all of anti-epidemic prevention measures in early February 2023, the government has put in a lot of resources to promote Hong Kong including giving away free air-tickets and over a million Hong Kong Goodies visitor consumption vouchers exclusively for visitors and advertisement overseas to gain attention in the market worldwide that Hong Kong is ready to travellers. Lots of exhibitions, conferences, sports activities are lining up scheduled to be held in Hong Kong in 2023. There are 1.5 million visitors to Hong Kong in February 2023. With gradually increase of airline capacity, number of visitors will be increased. Hong Kong's tourist industry is on the right track for recovery. Driven by the positive market sentiment, in the beginning of this year the Group expanded its hospitality service business with leasing a hotel premises of 22 rooms located in Yau Ma Tei, in the proximity to the Western and Chinese cultural hub, to operate a boutique hotel. The newly added hotel operation differentiates from our existing hotel operations with spacious room size fitted with a separate seating area and a kitchenette catering for the needs and convenience of family travellers. This increased the number of rooms in operation and effectively gaining benefit from achieving better economies of scale which is one of the Group's core business strategies in future development of our hospitality service business.

In 2023 it is expected the Group's hospitality performance would improve as Hong Kong's travel sector rebound combining a personal savings bonanza with accumulated pent up demand for business and leisure travel in the last two years or more in some cases of the pandemic. Notwithstanding strong business opportunities, the Group will be heedful of market conditions ahead. Competition could be fierce as hotel operators look to attract inbound visitors although its impact may be mitigated by the decreasing supply due to the many hotel conversions to alternative uses in the recent years. To keep up our competitive edge, some renovation plans on the existing hotel properties with due consideration in the perspective of sustainability will be included in our implementation agenda. The road to recovery is not paved without challenges, but positive steps taken in the right direction will lead to a full recovery in time.

Securities Investments

As at 31 December 2022, the Group had financial assets at fair value through profit or loss of approximately HK$58,940,000 (31 December 2021: HK$70,445,000). The securities investments portfolio comprised of Hong Kong blue chips and REITs with reasonable yield on dividend income and good liquidity. Dividend income from securities investments amounted to HK$3,018,000 was recorded in the reviewing year.

Given the sluggish sentiment in the securities market with the local stock market benchmark Hang Seng Index plunged to a 13 year low in October 2022, the Group recorded fair value loss of HK$11,410,000 on the securities investments held which was recorded in the statement of profit and loss in the year under review (2021: fair value gain of HK$122,000). We anticipate that when the business environment in Hong Kong is restored, prices of the securities investments will gradually reflect its intrinsic value. We had inquired with banks for investment options in any of their quality financial products of guaranteed principal with moderate return to leverage on our securities investments on hand to enhance the segment's performance.

The Group's significant investments (i.e. investment with carrying amount exceeding 5% of the total assets of the Group) held as at 31 December 2022 are as follows:

Company name/ (stock code)	**No. of shares held**	**Approximate percentage held to the total issued share capital of the company/ investment**	**Investment cost/cost of acquisition**	**Dividend income for the year ended 31 December 2022**	**Fair value loss for the year ended 31 December 2022**	**Fair value at 31 December 2022**	**Approximate percentage of total assets of the Group at 31 December 2022**
		%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*%*
Link Real Estate Investment Trust (823)	705,098	0.033%	64,987	2,108	(7,618)	40,402	7.6%

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

Note 2: During the year 2022, the segment recorded a loss on disposal amounted to HK$854,000.

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

Note 4: Subsequent to the year end in March 2023, the Group subscribed 141,019 rights units of Link REIT at the subscription price of HK$44.20 per rights unit for a total subscription amount of HK$6,233,039.80 (excluding transaction costs) under the rights issue as offered in the offering circular of Link REIT dated 7 March 2023. Following the rights subscription, the Group holds a total of 846,117 units, representing approximately 0.033% of the enlarged units in issue after completion of the rights issue. The Group holds positive views towards the prospects of Link REIT considering its current investment portfolio worth over HK$200 billion as well as its multiple investment approaches in its next phase of growth. It is an investment opportunity for the Group to enhance its investment return over time through a combination of capital gains on disposal and cash returns via cash distributions with a reasonably attractive yield potential.

Property Project Management Business

There was no new project and the segment recorded segment loss of HK$75,000 after basic administrative expenses for the year under review. In 2022 as the COVID-19 pandemic continued to rage in Hong Kong causing severe disruptions in the economic activities and a very sluggish property market. The Group was unable to secure new renovation projects from new home buyers or existing home owners who became homebound from continued travel restrictions and reluctant to renovate their dwellings considering the inconvenience involved. As the economy revives, we strive to revitalize the business segment and diversify the income base by exploring into securing repair and management contracts on fixed basis and contract terms from property owners of enbloc commercial or residential buildings.

Other Business Segments

During the year under review, Money lending business recorded turnover of HK$20,000 and segment loss was HK$2,000. We expect operation in this segment to be minimal and customers served are normally on referral basis with careful consideration to credit risk exposure.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2022, the Group had a cash and bank balance including pledged bank deposits of HK$101,336,000 and net current liabilities of HK$61,499,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2022 was approximately 0.73 (31 December 2021: 0.83).

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 which is exposed to fluctuations on Renminbi exchange rates. The Directors consider that in the long run the Renminbi exchange rate will be stable.

During the year, certain property, plant and equipment, certain investment properties and certain bank deposits of the Group were pledged to two banks to secure the bank borrowings of approximately HK$208,891,000, 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 2022 (31 December 2021: Nil). There is no capital commitments as at 31 December 2022 (31 December 2021: Nil).

II. Capital Structure of the Group

As at 31 December 2022, the Group had total equity of HK$280,928,000, fixed rate liability of HK$11,018,000, floating rate liability of HK$208,891,000 and interest-free liabilities of HK$29,888,000, representing 4%, 74% and 11% 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 2022 was approximately 5% (31 December 2021: 3%).

III. Significant Investments, material Acquisition and Disposal

During the year ended 31 December 2022, the Group disposed a property which has been used as warehouse by the Group at consideration of HK$8,200,000 and recorded gain on disposal of HK$7,462,000.

IV. Employment Information

As at 31 December 2022, the Group employed approximately a total of 45 employees (2021: 48). 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 2022, total staff costs (excluding Directors' emoluments) amounted to approximately HK$11,710,000 (2021: HK$12,512,000).

V. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

PROSPECTS

The outlook of 2023 should be more stable with the ending of the pandemic and resumption of pre-COVID normalcy underway. The worldwide easing of travel restrictions and social distancing measures, especially with respect to China which was plagued by COVID-19 pandemic in 2022 with city/district level lockdown measures, should enable a recovery of global economy. Nevertheless macroeconomic headwinds still lie ahead with uncertainties including the ongoing warfare between Russia and Ukraine, the continuing geo-political tensions between China and US and further interest hikes by US would all impede the pace of the world's economic recovery. We are particularly cautious about the interest rate hikes and their potential impacts on the Group's business. As recently announced in March, the US Federal Reserve made decision for the ninth consecutive time to raise interest rates by a quarter point to fight stubbornly high inflation despite the risk to financial stability in view of the banking chaos sparked by collapses of two regional banks in US in a week. US Federal Reserve Chairman Jerome Powell in his public statement has clearly stated that restoring price stability remains a top policy goal. The Federal Reserve still expects further interest hikes in the year to bring the federal funds rate to 5.1% by the end of 2023. Inflationary pressure and rising interest rates will add to operating costs and financial expenses and continue to weigh on the performance of the Group.

After three years of severe business disruption from the pandemic, Hong Kong finally sees a roadmap for reconnecting with the Mainland and the world. Chief Executive John Lee announced cancellation of most COVID-19 travel restrictions for overseas visitors from mid December 2022 and the border with China reopened on 8 January 2023. Easier and quarantine free travel for inbound visitors will provide the impetus for local economic growth with GDP expected to grow at about 3.5% in 2023. Over in Macau where the Group holds investment properties, the city's economic situation has continued to improve in recent months since the removal of all COVID related restrictions earlier in January in which month the number of visitor arrivals surpassed the one million level for the first time in three years. Tourism revenue will largely drive the city's GDP and scholars at University of Macau project Macau economy could grow up to 44% this year following a 17% decline seen in 2022. We start to see light at end of the tunnel as the two cities open for visitors and revive local economic activities. A recovering Chinese economy that targets a 5% GDP growth this year through the government's fiscal and monetary measures should add momentum to our economic growth.

In the latest budget the HKSAR government is again issuing electronic consumer vouchers this year to stimulate domestic consumption and speed up the recovery of the retail market. The roll out of the consumption vouchers hopefully would boost the service income and product sales in our hair styling business segment. Another highlight of the budget is the tourism boost to attract tourists and enliven Hong Kong's image. The government will earmark HK$100 million for attracting more mega events with significant visitor appeal and tourism promotional effects to be staged in Hong Kong. The Hong Kong Tourism Board (HKTB) will spend over HK$250 million to organize and promote major tourism events, inter alia, Hong Kong Pop Culture Festival to be held for the first time. Moreover, additional government funding of about HK$200 million will be allocated to HKTB for stepping up its efforts to stage more international meetings, incentive travels, conventions and exhibitions (MICE) of various scale and type in respect of finance, innovation and technology, medicine etc in Hong Kong to attract high value-added visitors and consolidate Hong Kong's position as the premier MICE destination in the region. As HKTB's slogan goes, from world class events to seasonal celebrations, there is always something happening in Hong Kong. Similarly in Macau, the government is pushing for more MICE tourists as they historically spend more and stay longer in Macau. With new MICE venues opening in the pipeline, the Macao Trade and Investment Promotion Institute pledged in 2023 it will make every effort to drive Macau's MICE's industry and foster the city's economic diversification away from gaming. The strenuous efforts of the governments to promote Hong Kong and Macau and raise the cities' profile around the world supports a positive and promising prospect to the two of the Group's core businesses, hospitality service and property investment, in the respective cities.

Although the market may not be seeing an immediate V shape bound of inbound tourists, on the back of a return of leisure and meetings, incentives, conference and events travel it is expected hotel accommodation will be in greater demand and room rates to inch their way towards pre-COVID level in 2023. We continue to recognize the long term potential of Hong Kong's hospitality industry and as the market sentiment is turning positive, the Group resumed exploring into project plans that have been on hold due to the pandemic. Beginning January this year a boutique hotel operating at Yau Ma Tei was added to our hospitality portfolio. Going forward before the Group takes a leap for further expansion, prevailing underlying challenges in the tourism/hospitality sector will be duly considered. As the city opens to tourism, like some other industries one issue facing the tourism/hospitality sector is the manpower shortage as workers quitted the industries during the COVID induced downturn plus the talent outflow from Hong Kong in the past two years. It will take some time to replenish the depleted base of workforce, in particular, the aviation industry. The recovery pace in the tourism/hospitality industries will be dampened if airlines cannot ramp up its capacity to meet increasing passenger demand. At the same time the market still takes time to assess the renewed traveller market. In the aftermath of the pandemic, hotel operators need to deal with an elevated grasp of importance of health, safety and cleanliness and mounting desire for a unique stay experience from customers. In respect of the hiring challenges in a tight labour market, we might need to turn to technology not to replace staff or eliminate the need for hiring but allow all staff to do more with less time. By enabling staff to automate and save time, customers will benefit from extra attention being paid to them. We believe to succeed and sustain our hospitality business the management needs to keep abreast of the current and emerging hotel trends.

CORPORATE SOCIAL RESPONSIBILITY

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

During the year 2022, the Group was honoured with the following awards:

– "Caring Company" by the Hong Kong Council of Social Services for 15 years in succession

– "Good MPF Employer" by Mandatory Provident Fund Schemes Authority for 8 years in succession

- “Manpower Developer” by the Employee Retraining Board in “Manpower Developer Award Scheme” for 4 consecutive sessions

- “Social Capital Builder” award by the Hong Kong Productivity Council for 4 continuous sessions

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

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

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

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

CORPORATE GOVERNANCE PRACTICES

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

Throughout the year of 2022, the Company has complied with all Code Provisions in the Code of Corporate Governance Practices (the “**CG Code**”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) except for certain areas of non-compliance that are discussed below.

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

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 2022.

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 2022 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion and assurance conclusion has been expressed by BDO Limited on this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Tuesday, 30 May 2023 to Friday, 2 June 2023 (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 Monday, 29 May 2023.

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, 30 March 2023

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