

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



(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	<i>Notes</i>	Six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Revenue	5	16,737	18,293
Cost of sales		(9,048)	(11,950)
Gross profit		7,689	6,343
Other income		3,002	3,184
Fair value (loss)/gain on financial assets at fair value through profit or loss		(6,028)	5,198
Administrative expenses		(17,900)	(14,265)
Finance costs		(1,633)	(1,750)
Loss before income tax	6	(14,870)	(1,290)
Income tax expense	7	–	–
Loss for the period		(14,870)	(1,290)

* *For identification purposes only*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)**

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
<i>Note</i>	HK\$'000	HK\$'000
Other comprehensive income		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Change in fair value of equity instruments at fair value through comprehensive income	<u>618</u>	<u>745</u>
Other comprehensive income for the period	<u>618</u>	<u>745</u>
Total comprehensive income for the period	<u>(14,252)</u>	<u>(545)</u>
Loss for the period attributable to:		
Owners of the Company	(14,848)	(337)
Non-controlling interests	<u>(22)</u>	<u>(953)</u>
	<u>(14,870)</u>	<u>(1,290)</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(14,230)	408
Non-controlling interests	<u>(22)</u>	<u>(953)</u>
	<u>(14,252)</u>	<u>(545)</u>
Loss per share attributable to the owners of the Company		
	9	
– Basic	<u>HK (4.55) cents</u>	<u>HK (0.10) cents</u>
– Diluted	<u>HK (4.55) cents</u>	<u>HK (0.10) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	As at 30 June 2022 (Unaudited) <i>Notes</i> <i>HK\$'000</i>	As at 31 December 2021 (Audited) <i>HK\$'000</i>
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	222,888	226,446
Investment properties	131,000	131,000
Financial assets at fair value through other comprehensive income	5,644	5,026
Deferred tax assets	558	558
	<u>360,090</u>	<u>363,030</u>
Current assets		
Inventories	96	139
Financial assets at fair value through profit or loss	64,417	70,445
Trade and other receivables, deposits and prepayments	10 6,160	4,989
Amount due from non-controlling interest	10	10
Pledged bank deposits	82,053	80,989
Cash and bank balances	15,556	27,596
	<u>168,292</u>	<u>184,168</u>
Current liabilities		
Trade payables	11 193	259
Other payables and accruals	5,696	5,263
Amount due to a shareholder	15,000	15,000
Contract liabilities	120	86
Lease liabilities	6,148	8,024
Bank borrowings (secured)	192,576	193,653
	<u>219,733</u>	<u>222,285</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 30 June 2022*

	As at 30 June 2022 (Unaudited) HK\$'000	As at 31 December 2021 (Audited) HK\$'000
Net current liabilities	<u>(51,441)</u>	<u>(38,117)</u>
Total assets less current liabilities	<u>308,649</u>	<u>324,913</u>
Non-current liabilities		
Lease liabilities	–	1,791
Bank borrowings (secured)	7,909	8,130
Deferred tax liabilities	<u>6,712</u>	<u>6,712</u>
	<u>14,621</u>	<u>16,633</u>
Net assets	<u>294,028</u>	<u>308,280</u>
EQUITY		
Share capital	65,215	65,215
Reserves	<u>228,488</u>	<u>242,718</u>
Equity attributable to the owners of the Company	293,703	307,933
Non-controlling interests	<u>325</u>	<u>347</u>
Total equity	<u>294,028</u>	<u>308,280</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. GENERAL INFORMATION

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

The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated financial statements were approved and authorised for issue by the directors on 30 August 2022.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 including the explanatory notes (the “Interim Financial information”) have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Accounting Standard 34 (“HKAS 34”), Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Interim Financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2021 (the “2021 Annual Financial Statements”) which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The Interim Financial information for the six months ended 30 June 2022 have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

The Interim Financial information are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

3. CHANGES IN HKFRSs

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those set out in the Group's annual financial statements for the year ended 31 December 2021.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs for the preparation of the Group's condensed consolidated financial statements.

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

The adoption of the above amendments to HKFRSs in the current period has no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

Other than the above mentioned amendments, the Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing this condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2021 Annual Financial Statements.

5. REVENUE AND SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors 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
Hospitality services	– Provision of hospitality services 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
Property project management	– Provision of property related project management service
Money lending	– Provision of commercial and personal loans in Hong Kong

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment revenues and results

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

	Segment revenue		Segment results	
	Six months ended 30 June			
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hair styling	6,650	8,264	72	51
Hospitality services	6,562	5,921	1,815	(1,317)
Property investments	1,983	2,141	(2,292)	(2,156)
Securities investments	1,540	1,535	(4,488)	6,733
Property project management	–	428	(54)	(35)
Money lending	2	4	(13)	(11)
	<u>16,737</u>	<u>18,293</u>	<u>(4,960)</u>	<u>3,265</u>
Unallocated other income			1,830	1,775
Exchange (loss)/gain, net			(3,883)	1,409
Corporate staff costs			(4,333)	(4,339)
Other corporate and unallocated expenses			<u>(3,524)</u>	<u>(3,400)</u>
Loss before income tax			<u>(14,870)</u>	<u>(1,290)</u>

Revenue reported above represented revenue generated from external customers.

Segment results represents the profit earned/loss incurred by each segment without allocation of central administration costs. Segment results exclude certain bank interest income, dividend income from financial assets at fair value through other comprehensive income (“FVOCI”) and net exchange loss/gain 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 executive directors for the purposes of resource allocation and assessment of segment performance.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

	As at 30 June 2022 (Unaudited) HK\$'000	As at 31 December 2021 (Audited) HK\$'000
Segment assets		
Hair styling	3,676	5,918
Hospitality services	221,198	220,768
Property investments	136,250	137,025
Securities investments	65,622	70,473
Property project management	32	71
Money lending	151	114
	<hr/>	<hr/>
Total segment assets	426,929	434,369
Deferred tax assets	558	558
Financial assets at FVOCI	5,644	5,026
Pledged bank deposits	82,053	80,989
Short-term bank deposits	–	20,598
Other corporate and unallocated assets	13,198	5,658
	<hr/>	<hr/>
Consolidated total assets	528,382	547,198
Segment liabilities		
Hair styling	1,808	3,108
Hospitality services	37,898	40,580
Property investments	14,741	15,168
Property project management	20	40
Money lending	5	10
	<hr/>	<hr/>
Total segment liabilities	54,472	58,906
Deferred tax liabilities	6,712	6,712
Bank borrowings	155,120	155,120
Other corporate and unallocated liabilities	18,050	18,180
	<hr/>	<hr/>
Consolidated total liabilities	234,354	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.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Other segment information

	Interest income		Finance costs		Additions to specified non-current assets		Depreciation	
	Six months ended 30 June							
	2022	2021	2022	2021	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hair styling	-	-	23	79	42	17	1,335	1,566
Hospitality services	-	-	374	484	-	-	1,342	2,759
Property investments	-	-	132	137	-	-	85	85
	-	-	529	700	42	17	2,762	4,410
Unallocated	1,001	1,123	1,104	1,050	3	1	841	842
Total	1,001	1,123	1,633	1,750	45	18	3,603	5,252

(d) 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	
	As at	As at	Six months ended 30 June	
	30 June	31 December	2022	2021
	2022	2021	(Unaudited)	(Unaudited)
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (domicile)	270,182	273,655	15,427	16,879
Macau	83,706	83,791	1,310	1,414
	353,888	357,446	16,737	18,293

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(e) 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.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers		
Timing of revenue recognition – Over time		
Hair styling services	6,331	7,820
Hospitality services	6,562	5,921
Property project management services	–	428
Timing of revenue recognition – At a point in time		
Product sales under hair styling services	319	444
Revenue from other sources		
Rental income	1,983	2,141
Interest income from money lending	2	4
Securities Investments	1,540	1,535
	16,737	18,293

6. LOSS BEFORE INCOME TAX

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

	Six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
(a) Finance costs		
Interest charges on bank loans	1,474	1,389
Interest charges on lease liabilities	159	361
	<hr/>	<hr/>
Total finance costs recognised in profit or loss	1,633	1,750
(b) Other items		
Fair value loss/(gain) on financial assets at fair value through profit or loss	6,028	(5,198)
Depreciation	3,603	5,252
	<hr/>	<hr/>

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit for the six months ended 30 June 2022 and 2021.

The Group has available tax losses as at 31 December 2021 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

8. DIVIDENDS

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic loss per share attributable to the owners of the Company for the period is based on the loss attributable to the Company's owner of HK\$14,848,000 (six months ended 30 June 2021: HK\$337,000) and the weighted average of 326,077,423 (six months ended 30 June 2021: 326,077,423) shares in issue during the six-month period.

No adjustment has been made to basic loss per share as the outstanding share options had antidilutive effect on the basic loss per share for the period ended 30 June 2022 and 30 June 2021.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Trade receivables	64	158
Other receivables, deposits and prepayments	<u>6,096</u>	<u>4,831</u>
	<u>6,160</u>	<u>4,989</u>

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

At the end of the reporting period, the ageing analysis (based on invoice date) of the trade receivables, net of loss allowance, is as follows:

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
0-30 days	64	86
31-60 days	-	-
61-90 days	-	-
More than 90 days	<u>-</u>	<u>72</u>
	<u>64</u>	<u>158</u>

11. 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:

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
0 – 30 days	123	187
31 – 60 days	56	72
61 – 90 days	<u>14</u>	<u>-</u>
	<u>193</u>	<u>259</u>

BUSINESS REVIEW

Overall Performance

Global economy saw a slowdown in the 1H 2022 as the international environment has become more complicated than in 2021 with geopolitical fallout of the Russia Ukraine conflict, supply chain disruptions, new round of epidemic outbreaks and inflation pressures bringing huge impacts on global policies, trade and economy, energy and finance. In the attempt to curb the continued unabated inflation rate reaching 9.1% year on year in June 2022, US Federal Reserve exited its asset purchase program and also hiked its interest rates to a range of 2.25% to 2.50% with further rate hikes anticipated in the second half of this year. During the reviewing period, following emergence of Omicron variant and rise of COVID-19 cases in Mainland China and coupled with its dynamic zero COVID policy, city/district level lockdown measures and regular mandatory city wide coronavirus testing were implemented to fight the community transmission of virus. Inevitably these measures impacted its manufacturing sector, supply chain and normal economic activities and being the world's second largest economy, such impact disrupted the global supply. All these factors led to unexpected high inflationary pressures at a worldwide level and turmoil in the financial markets. Back in Hong Kong, GDP contracted 3.9% and 1.3% in 1Q and 2Q 2022 respectively as the fifth wave of local COVID-19 pandemic and resultant strictest restrictive social distancing measures took a heavy toll on economic activities. Macau experienced its worst community COVID-19 outbreak commenced in mid-June 2022 when the strictest anti-epidemic measures by the Macau SAR government were put in place which was only lifted in early August as the pandemic situation came under control. 1H 2022 was not easy for the Group's operations due to the impact of the devastating infections of COVID-19 in Hong Kong and Macau – the Group's home market.

For the six months ended 30 June 2022, the Group recorded a turnover of HK\$16,737,000, representing a decrease of 9% from the corresponding period of last year (1H2021: HK\$18,293,000). The decrease was mainly attributed to 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. Gross profit for the reporting period was HK\$7,689,000 representing an increase of 21% from the corresponding period of last year (1H2021: HK\$6,343,000). The increase was mainly due to the substantial reduced depreciation on right-of-use assets which increased gross profit from hospitality business segment.

The Group delivered a net loss of HK\$14,870,000, increased by about tenfold from the corresponding period of last year (1H2021: net loss of HK\$1,290,000). The increase in net loss was mainly attributed to fair value loss of HK\$6,028,000 on financial assets at fair value through profit or loss instead of fair value gain of HK\$5,198,000 on financial assets at fair value through profit or loss for the same period last year. In addition, during the interim period there was unrealized exchange loss of HK\$3,883,000 on Renminbi held on hand at the reporting period end versus unrealized exchange gain of HK\$1,409,000 for the corresponding period of last year. Before the fair value gain/loss on financial assets at fair value through profit or loss and unrealized exchange gain/loss, the Group incurred loss of HK\$4,959,000 for the interim period with improved performances from business operations compared with the last interim period (1H2021: net loss of HK\$7,897,000).

Property Investment Business

During the first half of 2022, our properties portfolio contributed rental income of HK\$1,983,000 to the Group decreased 7% compared to the same period 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 period under review. There was no valuation gain or loss on investment properties during the period under review. All investment properties are anticipated to serve as a stable income base to the Group.

Since the start of 2022 market uncertainties including the outbreak of Omicron, geo-political tensions and stock market volatilities have disrupted property investment transaction volumes in Hong Kong and Macau. There was no addition or disposal of investment properties during the period under review. Under the continuing effect of the COVID-19, most business sectors are still under pressure from either operational difficulties or shrinking business which went on to bring downward pressure in the leasing market on rental adjustment and lease renewal. During the interim period end the Group renewed some shop and office tenancies with effective rental rate down by about 16% to 20% to retain the existing tenants. As of current date, one residential and one office unit of investment properties in Macau have been vacant for over a year since expiry of the lease. Subject to no further serious COVID-19 outbreaks in the remaining year, we expect a sanguine market sentiment in the retail sector in 2H2022 but residential and office leasing demand will remain slow.

Hair Styling Business

Hair styling business was negatively affected with business closure when the salon was listed for the first time as scheduled premises and the government tightened social distancing measures in view of the acute epidemic situation in Hong Kong. For the first half of 2022, the Hair styling business segment reported a turnover of HK\$6,650,000 representing a decrease of 20% when compared to the corresponding period last year of which turnover on both service and product sales decreased 19% and 28% respectively. Segment net profit for the period was HK\$72,000 increased 41% compared to the same period in 2021 (1H2021: HK\$51,000). This was mainly attributable to government subsidies received for the period under review but not for the same period last year.

As the lease agreement with the landlord expired in August this year, the management team had looked into different options to continue the business. After thorough evaluation considering the prevailing market rental rate of comparable premises in the neighborhood of our salon and the relocation/renovation cost associated, the tenancy at the current premises was renewed for another three years. Looking ahead, management team will further step up its effort in enhancing operational efficiency and cost structure as well as exploring potential cooperation opportunities with different hair and non-hair product companies to diversify our product portfolio for sale and strengthen our income base. As the pandemic has significantly increased online shopping habits, the roll out of our brand new e platform presently at its final stage of fine tuning will be put at the forefront of the agenda. The government's second round of Consumption Voucher Scheme is expected to stimulate consumption and benefit the local retailed product/service industry. Local consumption is likely to remain the key focus of purchasing power in 2022 to fuel Hong Kong's economic recovery in second half of the year.

Hospitality Service Business

For the period under review, turnover of the hospitality service was HK\$6,562,000 increased 11% compared to the corresponding period last year. The segment profit for the reviewing period was HK\$1,815,000 instead of segment loss of HK\$1,317,000 for the same period last year. The 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. As majority of the NGO staff made Sheung Wan guesthouse their choice to stay which explained turnover of Sheung Wan guesthouse increased 55% irrespective that turnover of North Point hostel decreased 10% compared to the corresponding period last year. Nonetheless the substantial turnaround from segment loss to segment profit was mainly attributed to government subsidies received amounted to HK\$720,000 for the period under review. In addition, there was substantial decrease amounted to HK\$1,417,000 in depreciation on right-of-use of assets of North Point hostel for the interim period after impairment on the right-of-use of assets was provided at year end 2021.

The fifth wave of local COVID-19 pandemic commencing in January 2022 and resultant restrictive social distancing measures brought Hong Kong people's daily life and economic activities to a halt. Under the continued lockdowns and travel restrictions imposed across countries, the business focus was still mainly on locals. We offered attractive package and joined promotion programs with online travel agencies to increase our exposure and income. Meanwhile the co-living business at North Point hostel has received positive market responses and built up long stay local customer base. In mid-April when the fifth wave of COVID-19 subsided, social distancing measures and travel restrictions were gradually relaxed, As of the latest starting 12 August 2022, compulsory hotel quarantine for inbound travelers reduced from seven days to three days followed by four days medical surveillance at home or in other self-arranged accommodation. Mr John Lee Ka-chiu, Hong Kong Chief Executive, stated to look into minimizing inconvenience for international arrivals which is pivotal to proceed with in upcoming November when Hong Kong Monetary Authority will host a two day financial submit meeting up with the world's top bankers/fund managers to revive the city's credentials as a international financial centre and followed by the Ruby Sevens three day tournament attracting fans from all over the world fly to Hong Kong specifically for this famous sporting event. For the time being we have started to see improvement in our occupancy rate and especially room rates after the interim period end due to increasing demand as many overseas inbound travelers would opt to stay at a hotel after the three days stay in quarantine hotel to undergo medical surveillance for four days or even longer thereafter before they head on their trip to Mainland China.

In the recent months governments across the world have reduced their COVID restrictions as well as stepped up efforts in rolling out vaccine booster shots. As the world continues to open for travel and Hong Kong is expected to progressively ease up its travel restrictions to quarantine free travel, hopefully the worst of business operating environment in the hospitality industry seen in decades is over. In the absence of a solid schedule for reopening the city border, Mainland China outbound travelling in the near term is uncertain. As the Mainlanders is not our sole customer base, the exposure to the downside risk to our operations is comparatively lesser in the face of the continued lockdowns of the border. Looking into the foreseeable future the pandemic will remain a key uncertainty posing challenges to revival of the Hong Kong economy and the hospitality sector. The Group will act cautiously to any changes and latest development of tourism market and focus on converting risks into opportunities and leverage the “Homy” brand to explore new business opportunities.

Securities Investments Business

As at 30 June 2022, the Group had financial assets at fair value through profit or loss of approximately HK\$64,417,000 comprising mainly stocks of a reputable Hong Kong based property investment company and other utilities blue chips. Interest income and dividend income derived from the segment amounted to HK\$1,540,000 in aggregate were recorded in the period under review. The Group recorded fair value loss on financial assets at fair value through profit or loss of HK\$6,028,000 instead of fair value gain on financial assets at fair value through profit or loss of HK\$5,198,000 for the same period last year. We believe when the business environment in Hong Kong improves and the present epidemic recedes, prices of the securities investments will gradually reflect its intrinsic value. In the near term geopolitical tensions and rising interest rates will continue to bring volatilities in the international financial market.

The Group's significant investments (i.e. investment with carrying amount exceeding 5% of the total assets of the Group) held as at 30 June 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 HK\$'000	Dividend income for the period ended 30 June 2022 HK\$'000	Fair value loss for the period ended 30 June 2022 HK\$'000	Fair value at 30 June 2022 HK\$'000	Approximate percentage of total assets of the Group at 30 June 2022 %
Link Real Estate Investment Trust (823)	705,018	0.033%	65,937	1,017	3,278	45,121	8.5%

Note 1: Link Real Estate Investment Trust is a Hong Kong-based real estate investment trust (REIT). The investment objectives of REIT are to deliver sustainable growth and to create long-term value for its unit holders. It invests in a portfolio of properties, including retail facilities, markets, car parks and offices in Hong Kong and tier-one cities in Mainland China, London and Sydney. Its investment properties include destination shopping centers in Hong Kong, community shopping centers in Hong Kong, office and shopping malls in Beijing, Shanghai, Guangzhou, Shenzhen, among others.

Note 2: During the period under review, there was no movement on the number of shares held.

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.

Property Project Management Business

During the period under review, no income was recorded as there was no project completed or in progress due to (i) Hong Kong's economic activities were severely disrupted as the strictest social distancing measures were implemented to combat the fifth wave of COVID-19 pandemic (ii) Hongkongers who became homebound from the continued travel restrictions were less inclined to renovate their dwellings as if they were away considering the involving inconvenience (iii) renovation projects from new home buyers were not secured as the property market was sluggish (iv) disruption and shortage of labour as a lot of the workforce was infected with COVID-19 and (v) product supplies from Mainland China was disrupted triggered from city lockdowns as China was fighting fresh COVID-19 flare-ups across the country. Segment incurred a loss of HK\$54,000 after the basic administrative expenses. For the corresponding period last year, a small office project was completed generating HK\$428,000 income and segment loss of HK\$35,000 incurred.

As the economy slowly revives, we strive to expand the scale of the business operations by collaborating with local renowned architect/interior designer to explore into new projects.

Other Business Segments

The money lending business recorded one personal loan with total revenue of HK\$2,000 and segment loss of HK\$13,000 during the period under review.

Corporate Social Responsibility

The Group is always firmly committed to operating as a socially-responsible company across all of its business operations. It has made strenuous effort to perform its obligations as a corporate citizen. It was honoured as a Caring Company by The Hong Kong Council of Social Services for 14 years in succession. It also has received other various commendations including Good MPF Employer, Manpower Developer, Social Capital Builder, Hong Kong Green Organisation and Happy Company.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2022, the Group had a cash and bank balance including pledged bank deposit of HK\$97,609,000 and net current liabilities of HK\$51,441,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2022 was approximately 0.77 (31 December 2021: 0.83).

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

During the period under review, the Group's certain investment properties and certain bank deposits were pledged to banks to secure the bank borrowing of approximately HK\$200,485,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2022 (31 December 2021: Nil). The Group had no significant capital commitments as at 30 June 2022 (31 December 2021: Nil). There was no material acquisitions during the period under review but a factory unit located in Tuen Mun that the Group had used as a warehouse was disposed at a consideration of HK\$8,200,000. The disposal recorded a gain of approximately HK\$7,160,000 after legal cost, commission and expenses. The Group intends to use the proceeds for its general working capital.

Capital Structure of the Group

During the period under review, the Group had total equity of HK\$294,028,000, fixed rate liability of HK\$6,148,000, floating rate liability of HK\$200,485,000 and interest-free liabilities of HK\$27,721,000, representing 2%, 68% and 9% of the Group's total equity respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2022 was approximately 3% (31 December 2021: 3%).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022.

Employee and Remuneration Policy

For the period ended, the Group employed approximately a total of 46 employees (30 June 2021: 44) with staff costs excluding directors' emoluments amounted to HK\$5,973,000 (30 June 2021: HK\$6,167,000).

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

PROSPECTS

The development of the pandemic across the globe remains uncertain onwards as the highly transmissible Omicron variant emerged and spread around the world in 1H 2022. Although the market generally expects a revival of the global economy in 2H 2022, the outbreak of the rampant Omicron, amongst other factors, has slowed down the pace of global economic recovery. In addition to the pandemic, international political conflicts, in particular, the escalating Sino US tension, the continued Russo-Ukrainian war leading to international sanctions against Russia, interest hikes in central banks and inflationary pressures on the worldwide economy each and all together will threaten the financial and operational stability of business and traders with transforming global supply chain landscape as well as price hikes in commodities and oil supply. International Monetary Fund has lowered global GDP growth from estimated 6.1% growth last year to 3.2% for 2022 and 2.9% for 2023 to reflect the uncertainties and challenges posed in the world economy ahead.

Back in Hong Kong and Macau where the Group operates, the Group holds a cautious view on the economic recovery. In Hong Kong, while a devastating fifth wave of COVID-19 infections has subsided, yet the ongoing daily number of infected cases of COVID-19 remains high and rising pending to see if the government will once again tighten the social distancing measures. Meanwhile although the Macau government already lifted most of the enhanced COVID-19 restrictions which went into effect in June and July earlier when it experienced its worst community COVID-19 outbreak, adverse and evolving conditions created by and in response to the pandemic may cause these restrictions to be reintroduced. We believe COVID-19 pandemic will continue to have wide-ranging socio-economic impacts on our local economy, but with the rest of the world easing into semblance of normality and as vaccination rate in Hong Kong and Macau have increased, domestic economic activities should show some revival going forward.

Following Hong Kong's recent easing of travel restrictions and reducing hotel quarantine period from seven days to three days, it is expected overseas arrivals would increase in the latter year and improve our performance in the hospitality service segment despite there is still no time frame to resume quarantine free travel with Mainland China. At the same time hopefully service income and product sales in our hair styling business segment will be boosted upon the roll out of the second round of Consumption Voucher Scheme to stimulate domestic consumption . The Group will stay vigilant of uncertainties on the road to recovery ahead and adjust timely our business model as needed to align with the post COVID-19 new normal of consumer and market behaviour.

Since the Group redeveloped into the hospitality service industry in 2020, the segment performance so far has been under par in view of the prolonged and constantly evolving COVID-19 pandemic from which the tourism and hotel industries have had the hardest hit. While the COVID-19 epidemic situation is too erratic to predict, it is in general believed it would recede in the long run and the battered tourism/hotel industries would revive slowly. Hong Kong is unique in terms of business as Asia's financial hub and the best base to connect with the Mainland's high growth markets. From the leisure perspective, our vibrant, dynamic city is known for its variety of leisure offerings from shopping, dining, culture and heritage, events and arts and performances etc. With this mindset, we continue to recognize the long term potential of Hong Kong's hospitality industry. As more governments including the HKSAR government are willing to ease COVID-19 restrictions and step up efforts to open for travel, the Group will resume to explore into executing previously on hold projects plans to further develop the hospitality business. On the other hand the management would take note of current and emerging hotel trends as the way our hotels/hostels capitalise on new trends is vital to our success and sustainability. In the aftermath of the pandemic, it has been observed that generally traveller markets are expecting higher standards from accommodation providers. They will be more careful about choosing their destination and hotels in regards to health and safety. It is also worth noting that the world is quickly becoming more environmentally conscious as it becomes clear sustainability and climate change are imperative important issues. These changing attitudes are filtering into the way travellers choose their hotel preferring those that actively advocate for sustainability. As a boutique hotel operator ourselves we can see how SME can bring uniqueness and a level of personalization that travellers love. They remain popular options when people are travelling for events or festivals or those looking to engage more strongly with the history and culture of their destination. All these emerging hotel industry market trends particularly the sustainability issue will be carefully considered when we endeavor to renovate our existing hotel rooms or operate newly added hotel/hostel as we expand our hospitality business.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2022 which would materially affect the Group's operating and financial performance as at the date of this announcement.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

Compliance with the Code of Best Practice of the Listing rules

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

As at 30 June 2022, 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.

Under code provision C.1.6, independent non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. HUI Yan Kit (being independent non-executive director) was unable to attend the annual general meeting held on 31 May 2022 as he was obliged to be away for business trip.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 June 2022 with the directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2022.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.clh.com.hk>). The interim report of the Company for the period ended 30 June 2022 will be dispatched to the shareholders of the Company and will be available on the aforesaid websites in due course.

By Order of the Board
Century Legend (Holdings) Limited
CHU MING TAK EVANS TANIA
Executive Director

Hong Kong, 30 August 2022

As at the date hereof, the board of directors of the Company comprises of six directors, of which three are executive directors, namely Mr. Tsang Chiu Mo Samuel, 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. Lau Pui Wing and Ms. Ho Ting Mei.