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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00079)**

**ACQUISITION OF RIGHT-OF-USE ASSETS  
DISCLOSEABLE TRANSACTION IN RELATION  
TO A LEASE AGREEMENT**

**LEASE AGREEMENT**

The Board announces that on 5 August 2022, Headquarters, a non-wholly owned subsidiary of the Company, entered into the Lease Agreement as tenant with LHT, an Independent Third Party, as landlord in respect of the lease of the Premises for a term of three years commencing from 15 August 2022 to 14 August 2025 (both days inclusive) for use for the Group's hair styling business in Hong Kong.

**LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, the Company needs to recognize the right to use the Premises as an acquisition of asset and as one or more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Lease Agreement is more than 5% and below 25%, entering into the Lease Agreement constitutes a discloseable transaction for the Company. Therefore it is subject to the notification and announcement requirement but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Board announces that on 5 August 2022, Headquarters, a non-wholly owned subsidiary of the Company, entered into the Lease Agreement as tenant with LHT, an Independent Third Party, as landlord in respect of leasing the Premises for a term of three years commencing from 15 August 2022 to 14 August 2025 (both days inclusive) for use for its hair styling business in Hong Kong.

\* *For identification purpose only*

## KEY TERMS OF THE LEASE AGREEMENT

Date:	5 August 2022
Parties:	(i) The Luk Hoi Tong Company Limited, an Independent Third Party, as the landlord  (ii) Headquarters Limited, a non-wholly owned subsidiary of the Company, as the tenant
Premises:	Retail 4, 2 <sup>nd</sup> Floor, LHT Tower, No.31 Queen's Road Central, Hong Kong
Term:	Three years commencing on 15 August 2022 and expiring on 14 August 2025 (both days inclusive)
Use:	The Tenant shall use the Premises for its hair styling business in Hong Kong under the brand name of "Headquarters"
Monthly rental:	Base rent of HK\$243,915 and turnover rent being 15% of the Tenant's monthly gross receipts in excess of the base rent (any deficiency shall be deemed to be zero) throughout the term (exclusive of rates, air conditioning and management charges and other outgoings). The base rent shall be paid in advance on the commencement date of the term and thereafter on the first day of each and every calendar month without deduction. For the turnover rent, written statement of gross receipts for each calendar month certified by the Tenant's director together with the turnover rent (where payable) will be delivered by the Tenant to the Landlord by the 14 <sup>th</sup> day of the following month. The aggregate value of consideration payable under the Lease Agreement is approximately HK\$8,537,025 which will be paid through the Group's internal source of funding.

Under the Lease Agreement, the Tenant shall enjoy a one month's rent free period during the term.

Rates: The Tenant shall pay rates charged on the Premises as assessed by the government of Hong Kong.

Security deposit: The Tenant is required to place with the Landlord a security deposit of HK\$1,127,540.

## **RIGHT-OF-USE ASSETS**

Pursuant to HKFRS 16, the tenancy of the Premises will be recognized as right-of-use assets for an amount of approximately HK\$7,972,516, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement.

## **REASONS FOR AND BENEFITS OF THE LEASE AGREEMENT**

The Company is an investment holding company and its subsidiaries are principally engaged in property investments, hospitality service, hair styling, securities investments and property project management.

The Group is currently leasing the Premises for operation as a hair salon and the current tenancy agreement will expire in August 2022. Entering into the Lease Agreement will enable the Group to continue its operation at the Premises and would have saved the renovation cost spent on relocation.

The rental terms of the Lease Agreement was arrived after arm's length negotiations between the parties and determined after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.

The Directors considered that the transaction contemplated under the Lease Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the Lease Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **Headquarters**

Headquarters Limited, a limited liability company incorporated under the laws of Hong Kong on 3 November 1989, is a non-wholly owned subsidiary of the Company. The principal activity of Headquarters is provision of hair styling and related services and product sales in Hong Kong.

## **The Landlord**

The Luk Hoi Tong Company Limited is a public limited liability company incorporated under the laws of Hong Kong on 11 May 1926. The principal activities of the Landlord and its subsidiaries are property investment and operation of hotel and restaurant business.

Based on the publicly available information and as advised by the Landlord, The Luk Hoi Tong Company Limited has about 1,300 shareholders of whom Mr. Chan Park Kuen, beneficially holding 7% of total issued shares of LHT is the single largest shareholder.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As one or more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Lease Agreement is more than 5% and below 25%, the Lease Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirement but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Century Legend (Holdings) Limited, a company incorporated in Bermuda with limited liability on 7 June 1993, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Headquarters” or “Tenant”	Headquarters Limited, a limited liability company incorporated under the laws of Hong Kong on 3 November 1989 and a non-wholly owned subsidiary of the Company

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “Leases” which includes standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“LHT” or “Landlord”	The Luk Hoi Tong Company Limited, a public limited liability company incorporated under the laws of Hong Kong on 11 May 1926, which is an Independent Third Party and the landlord of the Premises under the Lease Agreement
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not connected persons of the Company and is third party independent of the Company and its connected persons in accordance with the Listing Rules
“Lease Agreement”	the formal lease agreement dated 5 August 2022 entered into between Headquarters as the tenant and LHT as the landlord in relation to the lease of the Premises
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Premises”	Retail 4, 2 <sup>nd</sup> Floor, LHT Tower, No.31 Queen’s Road Central, Hong Kong

“Shareholder(s)” holder(s) of the ordinary share(s) of HK\$0.20 each in the capital of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 5 August 2022

*As at the date of this announcement, the Board comprises 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.*