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**CENTURY LEGEND (HOLDINGS) LIMITED**  
**世紀建業(集團)有限公司\***

(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF THE ENTIRE INTEREST IN MAX RISE INVESTMENTS LIMITED**

**THE DISPOSAL**

The Board announces that on 21 July 2023, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share (representing the entire issued share capital of the Disposal Company) and the assignment of the Shareholder's Current Account, at the Consideration of HK\$8,300,000.

The Disposal Company, an indirect wholly-owned subsidiary of the Company, is principally engaged in the business of property investment in Hong Kong and holds a residential property in Taikoo Shing. Upon Completion, the Vendor shall cease to hold any interest in the Disposal Company, and the Disposal Company shall cease to be a subsidiary of the Company and its financial results will cease to be consolidated into the financial statements of the Group.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but exempt from Shareholder' approval requirement under Chapter 14 of the Listing Rules.

\* For identification purpose only

The Board announces that on 21 July 2023, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share and the assignment of the Shareholder's Current Account, at the Consideration of HK\$8,300,000.

Details of the Agreement are set out below.

## **THE AGREEMENT**

**Date:** 21 July 2023

### **Parties:**

- (i) Vendor: Century Legend Properties Limited, an indirect wholly-owned subsidiary of the Company
  
- (ii) Purchaser: Mr. Yeung Theodore Tat  
To the best knowledge, information and belief of the Directors having made all reasonable enquires, the Purchaser is Independent Third Party.

### **Interests to be disposed of**

Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, (i) the Sale Share, being the entire issued share capital of the Disposal Company as at the date of the Agreement and Completion Date; (ii) the Shareholder's Current Account being the outstanding Shareholder's Current Account owed by the Disposal Company to the Vendor as at 30 June 2023, which amounted to approximately HK\$7,301,000.

### **Consideration and Payment Terms**

Pursuant to the Agreement, the Consideration payable by the Purchaser to the Vendor for the Disposal is HK\$8,300,000 and is subject to the adjustment as stated below. The Consideration is payable by Purchaser in the following manner:

- (i) a sum of HK\$800,000, being deposit and in part payment of the Consideration, shall be paid by the Purchaser to the Vendor upon signing of the Agreement; and
- (ii) the balance of HK\$7,500,000 shall be paid by the Purchaser to the Vendor upon Completion.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement on normal commercial terms with reference to (i) the financial position of the Disposal Company; (ii) the historical financial performance of the Disposal Company and the Property it holds ; and (iii) the carrying value of the Property and market references on the Property.

#### **Adjustments to the Consideration**

If the Net Tangible Assets Value as shown in the Completion Accounts is more or less than zero, the Consideration shall be adjusted upwards or downwards (as the case may be) accordingly in the manner as follows:

- (i) It shall be added to the Consideration all current tangible assets of the Disposal Company as shown in the Completion Accounts including bank balances , utilities and other miscellaneous deposits, prepaid rates and other expenses relating to the Property (exclusive of the Completion Date);
- (ii) It shall be deducted from the Consideration all liabilities of the Disposal Company as shown in the Completion Accounts (other than the Shareholder's Current Account).

The Vendor and the Purchaser shall jointly procure, as soon as practicable and in any event within 15 days after Completion, the preparation of the Completion Accounts which shall be prepared by the Disposal Company and certified as true and correct by a director of the Disposal Company. It is expected that the Net Tangible Assets Value as shown in the Completion Accounts would not exceed HK\$70,000.

The Vendor and the Purchaser undertake to each other to pay the amount calculated as described above within five days after delivery to the Vendor of a copy of the Completion Accounts and certification by the director of the Disposal Company.

### **Conditions precedent to the Agreement**

The Completion is conditional upon and subject to the fulfillment of certain conditions as set out below:

- (i) the Vendor shall have proved that the Vendor has a good title to the Sale Share, free from all encumbrances;
- (ii) the Purchaser having completed his due diligence review on the business, financial, legal and other aspects of the Disposal Company and satisfied with the results thereof;
- (iii) the Vendor having procured the Disposal Company to give and prove a good title to the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and
- (iv) the Purchaser relies and acts on the warranties of the Vendor to proceed to Completion.

If any of the above conditions is not fulfilled or waived on or before 25 August 2023 or such later date as the parties may agree in writing, the Purchaser shall be entitled to cancel the transaction under this Agreement and this Agreement shall cease and terminate whereupon the deposit shall be forthwith returned to the Purchaser without any interest.

### **Completion**

The Completion shall take place within ten Business Days upon the fulfillment of the conditions precedent to the Agreement, or such other date as the Vendor and the Purchaser may mutually agree in writing.

Upon Completion, the Vendor shall cease to hold any interest in the Disposal Company and the Disposal Company shall cease to be a subsidiary of the Company and its financial results will cease to be consolidated into the financial statements of the Group.

### **INFORMATION ON THE DISPOSAL COMPANY AND THE PROPERTY**

The Disposal Company, an indirect wholly-owned subsidiary of the Company, is incorporated in Hong Kong with limited liability and is principally engaged in the business of property investment in Hong Kong. The only asset in the Disposal Company is a residential property in Taikoo Shing, which shall be sold on “as is” basis together with the fittings and some electrical appliances. The Property was acquired in 2010 and has been held for investment purpose. It is currently vacant and shall be delivered in vacant possession to the Purchaser upon Completion.

Set out below is the audited financial information of the Disposal Company for the two years ended 31 December 2022, as prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2022	2021
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	268	271
(Loss)/Profit before tax	(603)	397
(Loss)/Profit after tax	(603)	397

Based on the unaudited management accounts of the Disposal Company, the unaudited net asset value of the Disposal Company as at 30 June 2023 amounted to approximately HK\$1,964,000.

#### **REASONS FOR THE DISPOSAL**

The Group's principal businesses are property investments, provision of hair styling and related services and product sales, securities investments, hospitality service, property project management and provision of commercial and personal loans.

The only asset in the Disposal Company is a residential property in Taikoo Shing of which overall prices in the area have been down over 9% from beginning of the year 2023. According to some analyst, an elevated interest rate environment during the first half of the year 2023 is likely to weigh on Hong Kong's secondary housing property until next year, given the possibility of further interest rate hikes by US Federal Reserve and its consequent impact on the mortgage rates in the city. High interest rates have taken a toll in transaction volumes having fallen by almost half since earlier this year which along with the competition from launching from time to time of newly completed residential estates are expected to pressure prices further on the second hand residential properties.

In view of the above, the Directors consider it appropriate to dispose of its interest in the Disposal Company at a consideration approximately 58% over its initial cost of acquisition of the Property in 2010 and they are of the view that the terms of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

#### **USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL**

The Company is expected to record a loss of HK\$965,000 from the Disposal, which is calculated based on the Consideration to be received by the Vendor for the Disposal less the net asset value of the Disposal Company as at 30 June 2023 and Shareholder's Current Account owed by the Disposal Company to the Vendor as at 30 June 2023 assigned to the Purchaser as a result of the Disposal. The Company intends to apply the net proceeds from the Disposal as the Group's general working capital and funding in developing the Group's existing business such as hair salon business and hospitality business as well as financing new projects relating to the hospitality business if the appropriate investment opportunities arise.

#### **INFORMATION ON THE PARTIES**

##### **Vendor**

Century Legend Properties Limited is a limited liability company incorporated under the laws of Hong Kong on 16 November 2007, which is an indirect wholly-owned subsidiary of the Company. The principal activities of Century Legend Properties Limited are investment holding, property investments and trading securities in Hong Kong.

##### **Purchaser**

Mr. Yeung Theodore Tat, an individual who is an Independent Third Party

#### **LISTING RULES IMPLICATIONS**

As one or more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% and below 25%, the Disposal 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:

“Agreement”	the formal sale and purchase agreement dated 21 July 2023 entered into between the Vendor and Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Days”	a day (not a Saturday) on which licensed banks in Hong Kong are generally open for business during their normal business hours
“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
“Completion”	completion of the Disposal under the Agreement
“Completion Accounts”	the unaudited balance sheet of the Disposal Company as at the Completion Date and the unaudited profit and loss account of the Disposal Company for the period from 1 January 2023 and ended on the Completion Date prepared by the Disposal Company and certified as true and correct by a director of the Disposal Company
“Completion Date”	the date falling within ten Business Days after all conditions precedent to the Agreement have been fulfilled or waived, or such other date as the Vendor and the Purchaser may mutually agree in writing
“Consideration”	HK\$8,300,000, being the consideration for the Disposal, subject to adjustments

“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Sale Share and the assignment of the Shareholder’s Current Account by the Vendor to the Purchaser pursuant to the terms of the Agreement
“Disposal Company”	Max Rise Investments Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	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
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Net Tangible Assets Value”	the aggregate of all tangible assets of the Disposal Company which are readily convertible into cash or cash equivalents (excluding the Property, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Shareholder’s Current Account) and provisions of the Company as at the Completion Date

“Property”	Flat H, 20 <sup>th</sup> Floor, Heng Shan Mansion, Kao Shan Terrance, 19 Taikoo Shing Road, Quarry Bay, Hong Kong with a total net floor area of approximately 593 sq. ft. which is owned by the Disposal Company
“Purchaser”	Mr. Yeung Theodore Tat, an individual who is an Independent Third Party
“Sale Share”	the entire issued share capital of the Disposal Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.20 each in the capital of the Company
“Shareholder’s Current Account”	the outstanding shareholder’s current account owed by the Disposal Company to the Vendor as at 30 June 2023 which amounted to approximately HK\$7,301,000
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Century Legend Properties Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 21 July 2023

*As at the date of this announcement, the Board comprises seven 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 four are independent non-executive Directors, namely Mr. Hui Yan Kit, Mr. Lau Pui Wing, Ms. Ho Ting Mei and Mr. Wu BinQuan.*