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 2019

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 2019 together with the comparative figures for the year ended 31 December 2018 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** *HK$'000*	2018 (Re-presented) *HK$'000*
Revenue	*3*	**31,023**	26,350
Cost of revenue		**(9,541)**	(8,816)
Gross profit		**21,482**	17,534
Other income	*4*	**5,238**	9,176
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(12,102)**	300
Fair value gain on investment properties		**10,000**	11,963
Gain on disposal of an investment property		**800**	–
Administrative expenses		**(39,475)**	(45,540)
Finance costs	*6*	**(6,816)**	(5,824)
Loss before income tax	*7*	**(20,873)**	(12,391)
Income tax expense	*8*	**(907)**	(402)
Loss for the year		**(21,780)**	(12,793)

* *For identification purposes only*

	Note	**2019**	2018
			(Re-presented)
	Note	***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		**461**	(1,367)
Other comprehensive income for the year		**461**	(1,367)
Total comprehensive income for the year		**(21,319)**	(14,160)
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(21,234)**	(12,873)
Non-controlling interests		**(546)**	80
		(21,780)	(12,793)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(20,773)**	(14,240)
Non-controlling interests		**(546)**	80
		(21,319)	(14,160)
		HK cents	*HK cents*
Basic and diluted loss per share	*10*		
– Basic		**(6.63)**	(4.16)
– Diluted		**(6.63)**	(4.16)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**232,299**	2,435
Investment properties		**130,100**	353,700
Prepaid land lease payments		**–**	3,331
Financial assets at fair value through other comprehensive income		**9,298**	14,378
		371,697	373,844
Current assets			
Inventories		**85**	70
Prepaid land lease payments		**–**	123
Financial assets at fair value through profit or loss	*11*	**88,836**	5,439
Trade and other receivables and prepayments	*12*	**4,087**	3,893
Amount due from non-controlling interest		**10**	–
Tax recoverable		**32**	32
Pledged bank deposits		**86,062**	80,382
Cash and bank balances		**21,866**	123,408
		200,978	213,347
Current liabilities			
Trade payables	*13*	**137**	144
Other payables and accruals		**5,155**	12,390
Contract liabilities		**450**	–
Amount due to non-controlling interest		**2**	–
Lease liabilities		**4,419**	–
Obligations under finance leases		**–**	288
Bank borrowings (secured)		**196,950**	196,364
		207,113	209,186
Net current (liabilities)/assets		**(6,135)**	4,161
Total assets less current liabilities		**365,562**	378,005

	2019	2018
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**2,955**	–
Obligations under finance leases	**–**	117
Bank borrowings (secured)	**8,987**	9,403
Deferred tax liabilities	**4,250**	3,343
	16,192	12,863
Net assets	**349,370**	365,142
EQUITY		
Share capital	**65,215**	61,941
Reserves	**280,312**	298,815
Equity attributable to the owners of the Company	**345,527**	360,756
Non-controlling interests	**3,843**	4,386
Total equity	**349,370**	365,142

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with all Hong Kong Financial Reporting Standards ("**HKFRSs**") which collectively includes all 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 applicable disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure requirements of 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 2019

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 2019:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features and Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3 Business Combinations, HKFRS 11 Joint Arrangements, HKAS 12 Income Taxes, and HKAS 23 Borrowing Costs

The impact of the adoption of HKFRS 16 *Leases* have been summarised in below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the Group's accounting policies.

HKFRS 16 – Leases ("HKFRS 16")

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 *Leases* ("**HKAS 17**"), HK(IFRIC)-*Int 4 Determining whether an Arrangement contains a Lease* ("**HK(IFRIC)-Int 4**"), HK(SIC)-Int 15 *Operating Leases-Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. From a lessee's perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, refer to note (ii) to (v) below.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16, if any, as an adjustment to the opening balance of accumulated losses at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following table summarised the impact of transition to HKFRS 16 on the consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows:

	As previously reported	**HKFRS 16 contract capitalisation**	**HKFRS 16 reclassification**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets				
Right-of-use assets presented in property, plant and equipment				
– Leasehold land and buildings	–	–	3,454	3,454
– Other properties leased for own use	–	4,125	–	4,125
Prepaid land lease payment (current)	123	–	(123)	–
Prepaid land lease payment (non-current)	3,331	–	(3,331)	–
Liabilities				
Lease liabilities (current)	–	2,507	288	2,795
Lease liabilities (non-current)	–	1,618	117	1,735
Obligations under finance leases (current)	288	–	(288)	–
Obligations under finance leases (non-current)	117	–	(117)	–

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 January 2019:

	HK$'000
Reconciliation of operating lease commitments to lease liabilities	
Operating lease commitments as of 31 December 2018	4,301
Add: Finance leases liabilities as of 31 December 2018	405
Less: Short-term leases for which lease terms end within 31 December 2019	(3)
Less: Future interest expenses	(173)
Total lease liabilities as of 1 January 2019	4,530

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 was 4.8%.

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

(iii) Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any re-measurement of lease liability. The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" in the consolidated statement of financial position.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use of the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group presents lease liabilities separately in the consolidated statement of financial position.

(iv) Accounting as a lessor

The Group has leased out its investment properties to a number of tenants. As the accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17, the adoption of HKFRS 16 does not have significant impact on these financial statements.

(v) Transition

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application (1 January 2019). The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

The Group has elected to recognise the right-of-use assets at 1 January 2019 for leases previously classified operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 *Impairment of Assets* at 1 January 2019 to assess if there was any impairment as on that date.

The Group has applied the following practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use assets at 1 January 2019; and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int4.

The Group has also leased two motor vehicles which previously were classified as finance leases under HKAS 17. As the Group has elected to adopt the cumulative effect approach over the adoption of HKFRS 16, for the finance leases under HKAS 17, the right-of-use assets and the corresponding lease liabilities at 1 January 2019 were the carrying amount of the lease assets and lease liabilities under HKAS 17 immediately before that date. For those leases, the Group has accounted for the right-of-use assets and the lease liabilities applying HKFRS 16 from 1 January 2019. Upon adoption of HKFRS 16 on 1 January 2019, the right-of-use assets arising from the motor vehicles with net carrying amount of HK$141,000 continue to be presented within "Property, plant and equipment" whereas the corresponding finance lease liabilities amounting to HK$405,000 were reclassified from "Obligations under finance leases" to "Lease liabilities".

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The interpretation supports the requirements of HKAS 12 *Income Taxes*, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met, instead of at fair value through profit or loss.

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests ("**LTI**") in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015-2017 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include the following:

Amendments to HKFRS 3 Business Combinations

Amendments to HKFRS 3 clarify that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Amendments to HKFRS 11 Joint Arrangements

Amendments to HKFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

Amendments to HKAS 12 Income Taxes

Amendments to HKAS 12 clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Amendments to HKAS 23 Borrowing Costs

Amendments to HKAS 23 clarify that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

(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. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a Business[1]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

1 Effective for annual periods beginning on or after 1 January 2020

2 The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

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

3. REVENUE

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

	2019	2018
		(Re-presented)
	HK$'000	*HK$'000*
Rendering of hair styling services and related product sales	**18,120**	16,611
Securities investments	**3,688**	251
Hospitality services income	**118**	–
Gross rental income from investment properties	**9,097**	9,488
	31,023	26,350

4. OTHER INCOME

	2019	2018
		(Re-presented)
	HK$'000	*HK$'000*
Bank interest income	**3,515**	7,410
Dividend income from listed investments classified as financial assets at fair value through other comprehensive income ("**FVOCI**")	**613**	743
Sundry income	**1,110**	1,023
	5,238	9,176

5. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors who are the chief operating decision makers are determined following the Group's major product and service lines. The Group is currently organised into the following five 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 (inactive in the current and prior years)
Property investments	–	Investing in commercial and residential properties for rental income potential and for 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

* During the year, the Group actively involved in securities investments and commenced to provide hospitality services in Hong Kong. Accordingly, certain comparative figures have been re-presented to conform with the current year's presentation.

Segment revenue and results

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

	Segment revenue		Segment results	
	2019	2018	**2019**	2018
		(Re-presented)		(Re-presented)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**18,120**	16,611	**(964)**	389
Money lending	**–**	–	**(28)**	(30)
Property investments	**9,097**	9,488	**1,948**	642
Securities investments	**3,688**	251	**(8,415)**	552
Hospitality service	**118**	–	**65**	–
	31,023	26,350	**(7,394)**	1,553
Unallocated income			**4,051**	5,472
Exchange loss, net			**(4,375)**	(7,623)
Corporate staff costs			**(8,154)**	(7,402)
Other corporate and unallocated expenses			**(5,001)**	(4,391)
Loss before income tax			**(20,873)**	(12,391)

Revenue reported above represents revenue generated from external customers.

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

Segment assets and liabilities

	2019	2018
		(Re-presented)
	HK$'000	*HK$'000*
Segment assets		
Hair styling	**11,741**	3,483
Money lending	**95**	123
Property investments	**140,147**	364,139
Securities investments	**89,271**	5,439
Hospitality service	**217,828**	–
Total segment assets	**459,082**	373,184
Financial assets at fair value through other comprehensive income	**9,298**	14,378
Pledged bank deposits	**86,062**	80,382
Short-term bank deposits	**–**	111,980
Other corporate and unallocated assets	**18,233**	7,267
Consolidated total assets	**572,675**	587,191
Segment liabilities		
Hair styling	**7,270**	1,638
Money lending	**23**	16
Property investments	**53,077**	62,093
Securities investments	**–**	–
Hospitality service	**160**	–
Total segment liabilities	**60,530**	63,747
Deferred tax liabilities	**4,250**	3,343
Borrowings	**155,120**	153,404
Other corporate and unallocated liabilities	**3,405**	1,555
Consolidated total liabilities	**223,305**	222,049

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

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

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

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**1**	26	**-**	–	**355**	–	**10,532**	10	**3,764**	117
Property investments	**1,064**	3,509	**10,000**	11,963	**6,269**	5,786	**-**	18,537	**210**	217
	1,065	3,535	**10,000**	11,963	**6,624**	5,786	**10,532**	18,547	**3,974**	334
Unallocated	**2,450**	3,875	**-**	–	**192**	38	**21**	18	**1,878**	331
Total	**3,515**	7,410	**10,000**	11,963	**6,816**	5,824	**10,553**	18,565	**5,852**	665

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets) is based on the physical location of the assets. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

The following is an analysis of the carrying amount of the specified non-current assets and revenue from external customers, analysed by the geographical location.

	Specified non-current assets		Revenue from external customers	
	2019	2018	**2019**	2018 (Re-presented)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**275,969**	274,771	**28,222**	23,325
Macau	**86,430**	84,695	**2,801**	3,025
	362,399	359,466	**31,023**	26,350

Information about a major customer

Revenue from one customer of the Group's property investments segment amounted to HK$4,700,000 (2018: HK$4,637,000) which represented more than 10% of the Group's revenue.

Disaggregation of revenue

In the following table, revenue under HKFRS 15 is disaggregated by primary geographical market, operating segments and timing of revenue recognition.

	2019	2018
		(Re-presented)
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Timing of revenue recognition – Over time		
Hair styling services	**17,657**	16,427
Hospitality service	**118**	–
Timing of revenue recognition – At a point in time		
Product sales under hair styling services	**463**	184
Revenue from other sources		
Rental income	**9,097**	9,488
Securities investments	**3,688**	251
	31,023	26,350

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest charges on bank loans	**6,289**	5,786
Interest charges on lease liabilities	**527**	–
Interest charges on finance leases	**–**	38
	6,816	5,824

7. LOSS BEFORE INCOME TAX

	2019	2018
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	**–**	123
Depreciation		
Property, plant and equipment	**604**	542
Right-of-use assets *(note)*:		
– Leasehold land and buildings	**199**	–
– Other properties leased for own use	**4,908**	–
– Motor vehicles	**141**	–
Auditor's remuneration	**530**	520
Employee benefit expenses	**21,331**	27,816
Exchange loss, net	**4,375**	7,623
Write-off of property, plant and equipment	**16**	–
Rentals received/receivable from investment properties less direct outgoings of HK$528,000 (2018: HK$529,000)	**(8,569)**	(8,959)
Short-term leases expenses	**456**	–
Operating lease charges in respect of:		
– Buildings	**–**	3,848
– Motor vehicles and equipment	**–**	469

Note:

The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to lease which was previously classified as operating leases under HKAS 17. The depreciated carrying amount of the finance lease assets which was previously included in property, plant and equipment is identified as right-of-use assets. After initial recognition of right-of-use assets at 1 January 2019, the Group as lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information in 2018 has not been restated (note 2(a)).

8. INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– Tax for the year	**–**	12
– Over-provision in respect of prior years	**–**	(30)
	–	(18)
Deferred tax	**907**	420
	907	402

The Group is subject to Hong Kong Profits Tax. No Hong Kong Profits Tax has been provided in the financial statements as the Group did not derive any estimated assessable profit in Hong Kong for the current year. For the year ended 31 December 2018, Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for the year.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual period beginning on or after 1 January 2018.

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% (2018: 12%).

9. DIVIDENDS

The directors do not recommend a payment of final dividend for the year ended 31 December 2019 (2018: Nil).

10. LOSS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company	**(21,234)**	(12,873)

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**320,112**	309,706

For the purposes of calculating diluted loss per share for the years ended 31 December 2019 and 2018, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect on the basic loss per share.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	HK$'000	*HK$'000*
Listed equity investments held for trading, at fair value	**88,836**	5,439

The fair value of the listed equity investments is determined by reference to the quoted market bid price at the end of the reporting period.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**–**	188
Other receivables, deposits and prepayments	**4,087**	3,705
	4,087	3,893

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:

	2019	2018
	HK$'000	*HK$'000*
0-30 days	–	162
31-60 days	–	16
61-90 days	–	10
	–	188

No loss allowance was provided for the year ended 31 December 2018 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 the adoption of 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.

13. TRADE PAYABLES

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

	2019	2018
	HK$'000	*HK$'000*
0-30 days	**112**	85
31-60 days	**25**	59
	137	144

14. EVENT AFTER THE REPORTING PERIOD

The outbreak of Novel Coronavirus ("**COVID-19**") has impact on the global business environment since the beginning of 2020. Up to the date of these financial results, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of these financial results, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial results. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

General Performance

During the year under review, the Group's net loss increased 70.2% to approximately HK$21,780,000 which was mainly attributable to the fair value loss on financial assets at fair value through profit or loss of HK$12,102,000 instead of gain at HK$300,000 last year.

The Group's revenue increased approximately 17.7% from HK$26,350,000 in 2018 to approximately HK$31,023,000 in 2019 as new business segments of Securities Investments came in place in the first half year followed by Hospitality Service towards the end of the year. The increased revenue brought forth increment in the gross profit by 22.5% to HK$21,482,000. Other income decreased by 42.9% to HK$5,238,000 which was mainly due to the decrease in bank interest income of HK$3,895,000 when the Group switched some of its bank deposits to yield enhancement investment products. Amongst the various endeavours including freezing the management discretionary year-end bonus to enhance the control over the Group's operating cost and keep the competitive edge in the adverse economy. Administrative expenses were effectively decreased by 13.3% to HK$39,475,000.

As at 31 December 2019, the Group's net asset value was approximately HK$349,370,000 and net asset value per share was approximately HK$1.07. The Group's total assets and total liabilities were approximately HK$572,675,000 and HK$223,305,000 respectively.

Property Investments Business

Total rental income contributed from Macau and Hong Kong investment properties amounted to HK$9,097,000 decreased approximately 4.1% compared to 2018 causing by rental concession granted to tenants in Hong Kong during the social unrest in the second half of the year. Return from investment properties was about 4.8% comparing the gross rental income and original cost of investments.

In the first quarter of 2019 the Group disposed of a residential property in Hong Kong at HK$16,800,000 and recorded a gain on disposal at HK$800,000 after the fair value gain accumulated since its acquisition that was reported in the statement of profit and loss in the previous years. The value of the Group's investment properties increased by HK$10,000,000 compared to 2018 of which HK$1,800,000 attributed to Macau and HK$8,200,000 from Hong Kong.

Rental income from Macau decreased by approximately 7.4% to HK$2,801,000 as not only both a retailed shop and a residential property had been vacant for certain period of time during the year but the rental rates in the new tenancies were much reduced. However such reduced rental income was partly offset by our office tenancies which were renewed with about average 8.5% rental increment commencing in the second half of the year. An average yield of about 4.6% comparing the gross rental income and original cost of investments was recorded.

Rental income from Hong Kong derived from the Group's en-bloc boutique hotel in Sheung Wan and residential units in Taikoo Shing decreased by approximately 2.6% to HK$6,296,000 with investment yield being approximately 4.9%. All our investment properties were fully let throughout the year and the decreased rental income was mainly due to rental concession granted to tenants during the social unrest in the second half of 2019.

2019 was full of challenges from the continual social-political unrest that dampened local business environment and diminished consumers' spending. Hardest hit was no doubt the hospitality sector and tourism related business. In December 2019, the tenants surrendered to us on "as is" basis the en-bloc boutique hotel in Sheung Wan with a request for early termination of their tenancy. Given the poor market sentiment which made it difficult in the imminent future to secure a new tenancy with reasonable rental yield, the Group took the opportunity to develop its hospitality service business by running the guesthouse business at our own property with the least to do on startups preparation.

Hospitality Service Business

Even though the local hospitality industry is far more challenging here and now than any other time, the industry will remain robust in terms of long run. Travel and tourism, which according to Oxford Economics makes up 18% of GDP in Hong Kong, is one of the city's key economic pillars which have been the driving force for the economic growth. It was under this mindset and positive attitude that the Group took up the operation in the en-bloc boutique hotel situated in Sheung Wan in late December 2019 when the tenant surrendered the hotel property to us. Turnover of the business was reported at HK$118,000 with segment profit of HK$65,000.

Looking forward, coupling the management experience the Group has attained from its investment in Holiday Inn Macau and the expertise as well as technical knowhow of our ex-tenants in the hospitality industry through collaboration, the Group will consider riding on the opportunities arisen to tap into the hospitality services industry in Hong Kong and Macau. It is not unexpected that a certain amount of controlled operation losses may be incurred in the beginning stage of our hospitality service business but the Group is cautiously prudent and yet optimistic that over time the business will scale up and make positive returns.

Hair Styling Business

The salon was relocated in late April 2019 to a modern iconic business building in Central after expiry of the previous tenancy agreement. Despite the negative impact of the continual social unrest on the business environment during the year, turnover of this segment amounted to HK$18,120,000 representing an increase of 9.1% as compared with 2018. Segment net loss was HK$964,000 compared to net profit of HK$389,000 the year before. Segment loss was incurred arising from non-recurring one off capital expenditure in the reinstatement of the property for yielding up to landlord, duplicated rental expenses in both old and new locations during the transitional period, removal cost and professional estate agency fee.

Retail products sales is a major focus in enhancing and diversifying our income base after relocation of the salon. Retail products sales increased by 151.1% to HK$463,000 compared to the year before. More new brands and co-operation with luxury hair and beauty brands will be introduced in 2020. Meanwhile strenuous effort will be made to improve our service quality and controlling costs. However extra resources and new business strategies will be deployed to deepen our retail products sale.

Securities Investments

In view of the low interest yield on bank deposits, the Group started in 2019 to explore for yield enhancement investment products. Due to the unforeseen volatility in the global financial markets during the year, our investment in the products were converted to the listed securities. As at 31 December 2019, the Group had financial assets at fair value through profit or loss of approximately HK$88,836,000 comprising stocks of a reputable Hong Kong based property investment company and REITs, both providing attractive yield on dividend income as well as liquidity (31 December 2018: HK$5,439,000). Interest income and dividend income derived from the segment amounted to HK$3,688,000 in aggregate were recorded in the reviewing year.

As the securities market was under downward pressure on the lagging effects of the US-China trade tensions as well as the social unrest situation in Hong Kong, the Group recorded unrealised fair value net loss of HK$12,102,000 on the listed securities. We believe that when the social stability in Hong Kong is restored and the present epidemic becomes more under control, the values of these listed securities will also be restored.

Other Business Segments

Money lending business was dormant during the year as the Group's funding was deployed to other business segments.

Prospects

Hong Kong faced a tough year in 2019 from the ongoing effects of US-China trade tension and the continuous social unrest started late June last year. 2020 will definitely be an even more difficult year with the Coronavirus outbreak which is having a holistic impact on the business communities not only in Hong Kong but across Asia and at the moment the entire world. With the speed and scale that the Coronavirus is transmitting globally amongst people and uncertainties on when the disease will be brought under control, concerns on global economic recession is building as worldwide Coronavirus death toll rises.

Oxford Economics has recently lowered the estimate of Hong Kong's real GDP growth in 2020 from -1.4% to -2.8% year on year given the current seriously ravaged local economy suffering from the negative impact of the Coronavirus compounding with Hong Kong's recent problems, notably the large scale demonstrations which up to now has not been resolved. Lagging effects arising from uncertainties of US-China trade tensions remain. The Coronavirus outbreak hits hard the retail and hospitality sectors as inbound tourism and commercial travelling effectively drop to zero as resulted from the closure of border crossings, travel bans, paralyzed international traffic and quarantine hassles while domestic consumption is also deeply weakened as local residents minimize their outdoor exposure voluntarily or non-voluntarily. Our tenants from both Hong Kong and Macau whose business have been adversely impacted by the Coronavirus have requested rental relief which will no doubt culminate into subdued rental yield from our investment properties this year.

Global economic outlook looks dim in the foreseeable future and in an attempt to stimulate and prevent the economy tumbling, central banks of United States and countries of the major economies have recently cut interest rates and planned to launch quantitative easing program. Hong Kong and Macau governments have rolled out various Coronavirus aid and stimulus packages to ease the burden of individuals as well as helping businesses to cope with the extreme difficulties they are experiencing as the global economy struggles with the pandemic. Under the imminent sharp economic downturn, downward adjustments in property prices as well as rental returns are expected in the property markets of both Hong Kong and Macau, and in particular, the retail property that has been affected most badly.

With the valuable experience and knowhow of refurbishing hotel property for providing food & beverage and leisure entertainment services as well as hospitality operation that the management team has attained through the Group's investment in Holiday Inn Macau in 2005, the Group will exploit the current sluggish retailers' leasing market to seek for distressed investments properties with potentials for business enhancement and explore opportunities for providing our property management services to the owners.

We are devising plans and strategies to prepare for the chilly winter and deploying all means to manage the potential risk that our existing businesses may expose to through diversifying income stream. Unlike SARS in 2003 Hong Kong's economy quickly rebounded as a result of China's Individual Visit Scheme and Mainland & Hong Kong Closer Economic Partnership Agreement, recovery from the economic downturn when the pandemic is over does not look optimistic as the fundamental economic landscape may have been changed with a critical lifeline missing – travellers from Mainland China who can be reluctant to visit Hong Kong after the prolonged anti-government protest last year that had been taken on a hostile tone. Nevertheless in any event, we shall strive to see the light at the end of the tunnel and hope our company and economy will emerge from all these setbacks even stronger.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2019, the Group had a cash and bank balances including pledged bank deposits of HK$107,928,000 and net current liabilities of HK$6,135,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2019 was approximately 0.97 (31 December 2018: 1.02).

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

During the year, the Group's certain investment properties, property, plant and equipments and bank deposits were pledged to two banks to secure the bank borrowings of approximately HK$205,937,000, 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 2019 (31 December 2018: Nil). There is no capital commitments as at 31 December 2019 (31 December 2018: Nil).

II. Capital Structure of the Group

As at 31 December 2019, the Group had total equity of HK$349,370,000, fixed rate liability of HK$7,374,000, floating rate liability of HK$205,937,000 and interest-free liabilities of HK$9,994,000, representing 2.1%, 58.9% and 2.9% 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 31 December 2019 was approximately 3.4% (31 December 2018: 2.6%).

III. Significant Investments, Material Acquisition and Disposal

During the year ended 31 December 2019, the Group had not made any significant investments or material acquisition or disposal except disposal of a residential property in Hong Kong at HK$16,800,000.

IV. Employment Information

As at 31 December 2019, the Group employed approximately a total of 37 employees (2018: 38). 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 2019, total staff costs (excluding Directors' emoluments) amounted to approximately HK$9,871,000 (2018: HK$11,464,000).

V. Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

CORPORATE SOCIAL RESPONSIBILITY

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

During the year 2019, the Group was honoured with the following awards:

- "Caring Company" by the Hong Kong Council of Social Services for 12 years in Succession
- "The Hong Kong Outstanding Corporate Citizenship Logo" by the Hong Kong Productivity Council for 6 consecutive years in SME Category and for 5 consecutive years in Volunteer Team Category
- "Good MPF Employer" by Mandatory Provident Fund Schemes Authority for 5 years in succession
- "Manpower Developer" by the Employee Retraining Board in "Manpower Developer Award Scheme" for 3 consecutive sessions
- "Social Capital Builder" award by the Hong Kong Productivity Council for 2 continuous sessions
- "Family Friendly Employer" award by Home Affairs Bureau and Family Council for two years
- "Hong Kong Green Organisation" accredited by Environmental Campaign Committee since January 2018

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

CORPORATE GOVERNANCE PRACTICES

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

Throughout the year of 2019, the Company has complied with all Code Provisions in the Code of Corporate Governance Practices (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rule**") except for certain areas of non-compliance that are discussed below.

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

AUDIT COMMITTEE REVIEW

The Audit Committee has discussed with the management of the Company the accounting principles and practices adopted by the Group and matters relating to internal audit, internal control, financial reporting of the Group and reviewed the annual results and consolidated accounts of the Group for the year ended 31 December 2019.

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 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Tuesday, 26 May 2020 to Friday, 29 May 2020 (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, 25 May 2020.

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 2020

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.