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(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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 2020. 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 2020

		Six months ended 30 June	
		2020	2019
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	5	15,919	13,623
Cost of sales		<u>(6,657)</u>	<u>(4,536)</u>
Gross profit		9,262	9,087
Other income		2,736	2,818
Fair value (loss)/gain on financial assets at fair value through profit or loss		(17,950)	266
Fair value gain on investment properties		–	10,000
Gain on disposal of an investment property		–	800
Administrative expenses		(18,688)	(19,436)
Finance costs		<u>(3,285)</u>	<u>(3,234)</u>
(Loss)/Profit before income tax	6	(27,925)	301
Income tax refund/(expense)	7	<u>12</u>	<u>(216)</u>
(Loss)/Profit for the period		<u>(27,913)</u>	<u>85</u>

* For identification purposes only

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

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	(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 instrument at fair value through comprehensive income	<u>(1,562)</u>	<u>1,362</u>
Other comprehensive income for the period	<u>(1,562)</u>	<u>1,362</u>
Total comprehensive income for the period	<u>(29,475)</u>	<u>1,447</u>
(Loss)/Profit for the period attributable to:		
Owners of the Company	(27,514)	884
Non-controlling interests	<u>(399)</u>	<u>(799)</u>
	<u>(27,913)</u>	<u>85</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(29,076)	2,246
Non-controlling interests	<u>(399)</u>	<u>(799)</u>
	<u>(29,475)</u>	<u>1,447</u>
(Loss)/Earnings per share attributable to the owners of the Company		
– Basic	9 <u>HK(8.44)cents</u>	<u>HK 0.28 cents</u>
– Diluted	<u>HK(8.44)cents</u>	<u>HK 0.28 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		As at 30 June 2020 (Unaudited) <i>HK\$'000</i>	As at 31 December 2019 (Audited) <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		242,396	232,299
Investment properties		130,100	130,100
Financial assets at fair value through other comprehensive income		4,778	9,298
		377,274	371,697
Current assets			
Inventories		88	85
Financial assets at fair value through profit or loss		65,792	88,836
Trade and other receivables and prepayments	10	7,394	4,087
Amount due from non-controlling interest		10	10
Tax recoverable		12	32
Pledged bank deposits		85,432	86,062
Cash and bank balances		16,690	21,866
		175,418	200,978
Current liabilities			
Trade payables	11	204	137
Other payables and accruals		4,913	5,155
Contract liabilities		419	450
Amount due to non-controlling interest		2	2
Lease liabilities		7,834	4,419
Bank borrowings (secured)		195,882	196,950
		209,254	207,113

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2020

	As at 30 June 2020 (Unaudited) HK\$'000	As at 31 December 2019 (Audited) HK\$'000
Net current liabilities	<u>(33,836)</u>	<u>(6,135)</u>
Total assets less current liabilities	<u>343,438</u>	<u>365,562</u>
Non-current liabilities		
Lease liabilities	10,516	2,955
Bank borrowings (secured)	8,777	8,987
Deferred tax liabilities	<u>4,250</u>	<u>4,250</u>
	<u>23,543</u>	<u>16,192</u>
Net assets	<u>319,895</u>	<u>349,370</u>
EQUITY		
Share capital	65,215	65,215
Reserves	<u>251,236</u>	<u>280,312</u>
Equity attributable to the owners of the Company	316,451	345,527
Non-controlling interests	<u>3,444</u>	<u>3,843</u>
Total equity	<u>319,895</u>	<u>349,370</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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”, securities investments, hospitality service, property project management and provision of commercial and personal loans.

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 27 August 2020.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020 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 2019 (the “2019 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 2020 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 2020 are the same as those set out in the Group's annual financial statements for the year ended 31 December 2019.

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

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The adoption of the above new or revised 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.

The following new/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 to apply these changes on the date they become effective.

Amendment to HKFRS 16	COVID-19 Related Rent Concessions ¹
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¹ Effective for annual period beginning on or after 1 June 2020.

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 2019 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 organized into the following six operating segments.

- Property investments – Investing in commercial and residential properties for rental income potential and for capital appreciation in both Macau and Hong Kong
- 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 period and prior years)
- Securities investments – Investing in listed equity securities in Hong Kong and equity-linked investments in Hong Kong
- Hospitality service – Provision of hospitality service in Hong Kong
- Property project management – Provision of property related project management service

(a) Segment revenues and results

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

	Segment revenue		Segment (loss)/profit	
	Six months ended 30 June			
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property investments	2,182	4,772	(1,916)	6,849
Hair styling	7,761	8,637	162	(1,785)
Money lending	–	–	(15)	(17)
Securities investments	1,587	214	(16,363)	480
Hospitality service	2,589	–	(1,366)	–
Property project management	1,800	–	(42)	–
	<u>15,919</u>	<u>13,623</u>	<u>(19,540)</u>	<u>5,527</u>
Unallocated other income			1,852	1,903
Exchange losses, net			(1,672)	(701)
Corporate staff costs			(4,046)	(3,879)
Other corporate and unallocated expenses			(4,519)	(2,549)
(Loss)/Profit before income tax			<u>(27,925)</u>	<u>301</u>

Revenue reported above represented revenue generated from external customers.

Segment results represent 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 FVOCI and exchange losses, net, which arise from assets which 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 2020 (Unaudited) HK\$'000	As at 31 December 2019 (Audited) HK\$'000
Segment assets		
Property investments	137,273	140,147
Hair styling	10,440	11,741
Money lending	176	95
Securities investments	67,397	89,271
Hospitality service	233,640	217,828
Property project management	392	–
	<hr/>	<hr/>
Total segment assets	449,318	459,082
Financial assets at fair value through other comprehensive income		
	4,778	9,298
Pledged bank deposits	85,432	86,062
Other corporate and unallocated assets	13,164	18,233
	<hr/>	<hr/>
Consolidated total assets	<u>552,692</u>	<u>572,675</u>
Segment liabilities		
Property investments	17,415	53,077
Hair styling	5,820	7,270
Money lending	18	23
Securities investments	–	–
Hospitality service	47,641	160
Property project management	437	–
	<hr/>	<hr/>
Total segment liabilities	71,331	60,530
Deferred tax liabilities		
	4,250	4,250
Bank borrowings	155,120	155,120
Other corporate and unallocated liabilities	2,096	3,405
	<hr/>	<hr/>
Consolidated total liabilities	<u>232,797</u>	<u>223,305</u>

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 and pledged 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		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	Six months ended 30 June									
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property investments	1	857	-	10,000	141	2,935	-	-	85	107
Hair styling	-	-	-	-	141	182	8	2,464	1,705	2,055
Money lending	-	-	-	-	-	-	-	-	-	-
Securities investments	-	172	-	-	-	-	-	-	-	-
Hospitality service	-	-	-	-	742	-	14,023	-	1,280	-
Property project management	-	-	-	-	-	-	-	-	-	-
	1	1,029	-	10,000	1,024	3,117	14,031	2,464	3,070	2,162
Unallocated	1,173	1,289	-	-	2,261	117	28	11	887	989
Total	1,174	2,318	-	10,000	3,285	3,234	14,059	2,475	3,957	3,151

(d) 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	
	As at 30 June 2020 (Unaudited) HK\$'000	As at 31 December 2019 (Audited) HK\$'000	Six months ended 30 June 2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Hong Kong (domicile)	286,151	275,969	14,457	12,371
Macau	86,345	86,430	1,462	1,252
	372,496	362,399	15,919	13,623

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(e) Disaggregation of revenue

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

	Six months ended 30 June	
	2020	2019
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
Revenue from contract with customers		
Timing of revenue recognition – Over time		
Hair styling services	7,345	8,554
Hospitality service	2,589	–
Timing of revenue recognition – At a point in time		
Product sales under hair styling services	416	83
Revenue from other sources		
Rental income	2,182	4,772
Securities investments	1,587	214
Property project management	1,800	–
	<u>15,919</u>	<u>13,623</u>

6. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2020	2019
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
(a) Finance costs		
Interest on borrowings	2,966	2,955
Other finance costs	319	279
	<u>3,285</u>	<u>3,234</u>
Total finance costs recognised in profit or loss		
(b) Other items		
Fair value loss/(gain) on financial assets at fair value through profit or loss	17,950	(266)
Depreciation and amortisation	3,957	3,151
	<u>17,950</u>	<u>(266)</u>

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 2020 and 2019.

The Group has available tax losses as at 31 December 2019 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.

Pursuant to the tax rules and regulations of Macau, the subsidiaries in Macau are liable to Macau Profits Tax at the rate of 12%. No provision for Macau profits tax has been made for the six months ended 30 June 2020 while 12% Macau profits tax has been made for the six months ended 30 June 2019.

8. DIVIDENDS

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic (loss)/earnings 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\$27,514,000 (six months ended 30 June 2019: profit of HK\$884,000) and the weighted average of 326,077,423 (six months ended 30 June 2019: 314,047,297) shares in issue during the six-month period.

No adjustment has been made to basic loss per share as the outstanding share options had anti-dilutive effect on the basic loss per share for the period ended 30 June 2020 and 30 June 2019.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2020 (Unaudited) HK\$'000	31 December 2019 (Audited) HK\$'000
Trade receivables	20	–
Other receivables and prepayments	<u>7,374</u>	<u>4,087</u>
	<u>7,394</u>	<u>4,087</u>

The majority of the Group's revenue is on cash basis. The remaining balances of revenue are on credit terms of thirty-sixty days. At 30 June 2020, the ageing analysis of the trade receivables is as follows:

	30 June 2020 (Unaudited) HK\$'000	31 December 2019 (Audited) HK\$'000
0-30 days	10	–
31-60 days	10	–
61-90 days	<u>–</u>	<u>–</u>
	<u>20</u>	<u>–</u>

11. TRADE PAYABLES

As at 30 June 2020, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2020 (Unaudited) HK\$'000	31 December 2019 (Audited) HK\$'000
0-30 days	152	112
31-60 days	<u>52</u>	<u>25</u>
	<u>204</u>	<u>137</u>

BUSINESS REVIEW

Overall Performance

For the six months ended 30 June 2020, the Group recorded a turnover of HK\$15,919,000, representing an increase of 17% from the corresponding period of last year (1H2019: HK\$13,623,000). Gross profit for the period under review was HK\$9,262,000 representing an increase of 2% from the corresponding period of last year. (1H2019: HK\$9,087,000).

The Group recorded a net loss of HK\$27,913,000, compared to a net profit of HK\$85,000 in the corresponding period of last year. The loss was mainly attributed to fair value loss on financial assets at fair value through profit or loss at HK\$17,950,000. There is no change on valuation of investment properties for the period under review compared to valuation gain of HK\$10,000,000 for the same period last year. Before the unrealized exchange loss, valuation gain on investment properties, fair value gain/loss on financial assets at fair value through profit or loss, profit on disposal of an investment property and one-off expenses, the Group incurred loss of HK\$8,291,000 versus net loss of HK\$7,490,000 the same period last year.

Property Investment Business

During the first half of 2020, our properties portfolio in Macau and Hong Kong contributed rental income of HK\$2,182,000 to the Group decreased 54% compared to the same period last year. Rental income from Hong Kong investment properties dropped substantially as the boutique hotel used to be the major contributor in the segment generating rental income of HK\$2,654,000 in the interim period last year, has become a leasehold property since December 2019 when we took up the operation to develop the new hospitality service business. On the other hand despite rental recessions granted to tenants during the reviewing period, rental income from Macau investment properties increased due to (i) full occupancy in this interim period versus vacancy of the retail shop in the first quarter of 2019 and (ii) higher rental rate commanded from renewed lease of our office investment properties commencing in the second half of 2019. The reduction in rental income as a whole coupling with the absence of valuation gain on the investment properties resulted in segment loss of HK\$1,916,000 during the period under review compared to a profit of HK\$6,849,000 the same period last year.

After months of social unrest last year and the outbreak of the COVID-19 in January this year, the economic disruption local and worldwide has indeed adversely impacted to varying degrees the business of our tenants and in turn affecting the Group's performance. As of current date, two of our residential investment properties are vacant upon expiry of the lease.

Hair Styling Business

Hair styling business continues to be a stable contributor to the revenue of the Group. For the first half of 2020, the segment reported a turnover of HK\$7,761,000 representing a decrease of 10% when compared to that of the corresponding period last year as a result of the COVID-19 outbreak early in the year subsequently leading to the HKSAR government imposing social distancing orders in the city to fight the disease. The segment net profit for the period is HK\$162,000 compared to net loss of HK\$1,785,000 for the same period in 2019. This was mainly attributable to the savings from rental concession and government subsidies received due to the pandemic. In addition, there was not incurred in this interim period extraordinary expenditure in relation to relocation of the salon to a new shop and reinstatement cost of yielding up the old salon to the landlord in April last year.

Despite the difficult business environment under COVID-19, we have been trying hard to develop new source of income by increasing product sales to partly compensate for the decreasing hair service income in the period under review when people at large worked at home if feasible and refrained from going outdoor unless it was necessary. Customers find the new product line introduced from second half of 2019 appealing and their repeated purchase orders boosted the product sales in the reviewing period by 401% to HK\$416,000 compared to the same period last year. Digital marketing channels and free delivery of products has let us stay connected with customers during the pandemic period.

Hong Kong is facing unprecedented challenges and to weather through this extreme difficult times, management team will further step up its effort in enhancing operational efficiency and cost structure as well as exploring new service and marketing strategies.

Hospitality Service Segment

For the period under review, turnover of the hospitality service is HK\$2,589,000 and the segment loss is HK\$1,366,000. This segment commenced business in late December last year as we took over the operation of a boutique hotel previously leased to a tenant who had requested early termination of the lease.

The pandemic which became widespread in Hong Kong early in the year and is still ongoing has brought tourists arrivals to a virtual complete halt as travel bans imposed by most if not all countries. Hotel/hostel occupancy rate had been at record low but challenges also presented an opportunity for the Group to expand its hospitality service business with more favorable commercial terms offered in the current market sentiment. We believe that in the long run Hong Kong will remain a key gateway city for business travelers, exhibitions and tourists. Therefore, in addition to operating our self-owned boutique hotel in Sheung Wan, the Group in collaboration with our strategic partner entered into leasing a hostel premises in North Point with 99 rooms in May 2020 to increase the number of rooms in operation and effectively gaining benefit from achieving better economic of scale. The North Point hostel is situated in the traditional community hub and proximate to the well-developed island east commercial area with steady demand in hospitality service from the locals.

Securities Investments

As at 30 June 2020, the Group had financial assets at fair value through profit or loss of approximately HK\$65,792,000 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\$1,587,000 in aggregate were recorded in the period under review.

With the outbreak of the coronavirus epidemic posing economic downturn local and worldwide, values of these securities investments dropped substantially. During the period under review, a mark-to-market valuation loss of HK\$17,950,000 on financial assets at fair value through profit or loss was recorded.

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 2020 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 2020 HK\$000	Fair value loss for the period ended 30 June 2020 HK\$000	Fair value at 30 June 2020 HK\$000	Approximate percentage of total assets of the Group at 30 June 2020 %
Link Real Estate Investment Trust (823)	724,764	0.035%	69,196	1,050	(13,879)	45,914	8.3%

Note 1: Principal business of investee company – Link Real Estate Investment Trust (“Link REIT”/“REIT”) is Asia's largest REIT and one of the world's largest REITs (with focus on retail) in terms of market capitalization. It invests in and manages diversified portfolios of properties including retail facilities, markets, car parks and offices in Hong Kong and four tier-one cities in Mainland China.

Note 2: During the six months ended 30 June 2020, a profit on disposal amounted to HK\$9,000 was recorded.

Note 3: In consideration of the gradually diminishing interest rate causing low return in interest income from bank deposits, the Group decided last year to relocate and put in additional resources to further develop its securities investments business. The principal strategy of the business is to invest in securities which generates steady cash flows (in form of interest or dividend) and with long term capital gain potential. Moreover liquidity is another important consideration in investing.

Link REIT provides regular dividend payment (by nature the dividend payout ratio of a REIT has to be at least 90%) with decent yield. Moreover it has an active secondary market which provides the required liquidity in trading. The management believes the investment in Link REIT is in line and complied with our investment strategy mentioned above. The Group would reassess the composition of its portfolio as and when appropriate.

Property Project Management Business

The Group commenced its business into the field of property project management at the end of 2019. From its property investments business, the Group has gained vast experience in increasing values of different types of property by ways of redesigning the layout, reengineering the technical input and output as well as change of use of the properties. We offer potential customers with a turnkey model solution and act as a representative of the property owner to source, liaise and coordinate with architect/designer and main contractor for the project management. The first secured project was a local residential unit at Villa Monte Rosa which was 70% completed during the reviewing period and recorded revenue of HK\$1,800,000.

Other Business

Money lending business segment did not contribute any revenue during the period under review. Going forward, the Group will as always cautiously monitor credit risk when making out new loans to selected customers.

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 12 years in succession. It also has received other various commendations including ERB Manpower Developer, Good MPF Employer, Family Friendly Employer, Business for Sustainability Award, Hong Kong Green Organisation and Social Capital Builder and The Hong Kong Outstanding Corporate Citizenship Logo in the respective categories of SME and Volunteer.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2020, the Group had a cash and bank balance including pledged bank deposit of HK\$102,122,000 and net current liabilities of HK\$33,836,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2020 was approximately 0.84 (31 December 2019: 0.97).

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\$204,659,000, 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 2020 (31 December 2019: Nil). The Group had no significant capital commitments as at 30 June 2020 (31 December 2019: Nil). There were no material acquisitions or disposals during the period under review.

Capital Structure of the Group

During the period under review, the Group had total equity of HK\$319,895,000, fixed rate liability of HK\$18,350,000, floating rate liability of HK\$204,659,000 and interest-free liabilities of HK\$9,788,000, representing 6%, 64% and 3% 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 2020 was approximately 6% (31 December 2019: 3%).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2020.

Employee and Remuneration Policy

For the period ended, the Group employed approximately a total of 45 employees (30 June 2019: 40) with staff costs excluding directors' emoluments amounted to HK\$5,560,000 (30 June 2019: HK\$5,247,000).

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 global battle against COVID-19 which has drastically disrupted the society and economy around the world will continue pending an effective line of defense to contain the virus or the successful development of a COVID-19 vaccine. Meanwhile the economy is facing great uncertainties and the very worst economic situation. According to International Monetary Fund, the global economy is projected to contract sharply by 3% in 2020. On the local front of the Group's key markets, Hong Kong and Macau, both economies are expected to shrink by 6%-8% and 29.6% respectively this year. Other than the novel coronavirus pandemic, the implementation of the China-US Phase One Trade Agreement, the approaching US presidential election and heightened geopolitical risks worldwide present additional volatilities in the business environment in the remaining year.

The weak macro-environment has posed significant challenges for businesses across all sectors and our core businesses are no exception. In the property investment business, the market value and rental yield are expected to be under downward pressure amid requests for rental concession from tenants whose retail businesses have been badly hit in the current seriously dampened economy. The persistent business loss from the ongoing travel bans and social distancing orders are likely to increase unemployment and vacancy rates of residential, commercial and retail sectors will further cripple the property market. Whilst the Group has always maintained a prudent and conservative approach towards property investment, the management will keep watch of prevailing market changes and make strategic adjustments to the Group's property portfolio as and when appropriate. The management will also explore the possibility of disposing its non-core properties to improve the investment portfolio.

While all sectors of the local economy are affected by the pandemic, the hotel and tourism have been hit the hardest. The pace of the post-pandemic recovery of the hospitality sector may take longer as overseas visitors resume normal travelling patterns will be slow. It looks unlikely that it will fully recover in the near term to sustain the business, we develop and grow the domestic staycation and the long stay market with discounted room rates and promotional packages. We have taken advantage of the downturn cycle to renovate our facilities from a value-added perspective with conversion into co-living concepts, an emerging sharing trend in the real estate sector. We will also strive to tide over the present difficulties through tightening of expense control. While we are still in the uncharted waters not knowing when the tourism/hospitality industries will fully recover, we shall work hard to sustain the business and maintain flexibility to react to market demand changes as demand can shift very quickly when governments at home/abroad adjust their travel restrictions over the development of the epidemic.

Nonetheless the Group tapped into the hospitality service believing in the long run tourism in Hong Kong remains positive given the big macro picture demand including meetings, incentives, conferences and exhibitions, the Greater Bay Area initiatives and the new infrastructure like the High –Speed Rail and Hong Kong-Zhuhai-Macau bridge that enables expansion of intercity travel. Crisis breeds opportunities for the Group to bargain hunt for discounted hotel deals whether to buy or lease to set up or expand our footprints in Hong Kong or Macau. We will also envisage offering hotel management services to those less experienced small scale hotel/hostel owners struggling with a devastated hotel business, in particular in Macau, to diversify our exposure in the hospitality industry.

Both Hong Kong and Macau retail businesses have also been adversely impacted with the coronavirus as the governments imposed lockdown measures in the city to fight the pandemic. For the Group's retail hair styling services operating in Hong Kong, plans to open flagship stores in Guangzhou and Shenzhen by joint venture or franchise have been put on hold in our business development agenda. The retail market's recovery will hinge on the border reopening timetable with China since mainland Chinese visitors accounted for about 80% of inbound visitors before the COVID-19 pandemic. In the near term before our expansion plans into the Greater Bay Area become viable, the Group will continue to develop its product sales through cooperation with luxury hair and beauty brands and strengthen sanitation measures in the salon environment to ensure the health and safety of our customers and employees are protected during and post COVID.

Recently as the Mainland Chinese government enacted the National Security Law in Hong Kong, there was the looming threats of the elimination of US trade and visa privileges with the US and voices of concern whether Hong Kong's advantages as a commercial centre may be weakened. However on the optimistic side it is believed that in the long run it can reduce social turmoil and the society, people's livelihood and economy will be restored to stability. Looking forward, the low interest environment is expected to subsist for a while and governments across the globe will roll out various fiscal measures to stimulate the economy to get out of the quagmire. The Group will take a cautious approach to grow our operations and to be geared up that once the coronavirus has subsided and global travel rebounds, our hospitality businesses are primed to benefit from the market recovery.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2020 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 Listing Rules during the period under review, save for the deviations set out below.

As at 30 June 2020, 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

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 2020 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 2020.

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 2020 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, 27 August 2020

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.