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 2020

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 2020 together with the comparative figures for the year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

		2020	2019
			(Re-presented)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**35,348**	31,023
Cost of revenue		**(23,092)**	(12,729)
Gross profit		**12,256**	18,294
Other income	*4*	**11,426**	5,238
Fair value loss on financial assets at fair value through profit or loss		**(12,813)**	(12,102)
Fair value gain on investment properties		**–**	10,000
Gain on disposal of an investment property		**–**	800
Administrative expenses		**(28,898)**	(36,287)
Finance costs	*6*	**(5,318)**	(6,816)
Loss before income tax	*7*	**(23,347)**	(20,873)
Income tax expense	*8*	**(2,391)**	(907)
Loss for the year		**(25,738)**	(21,780)

* *For identification purposes only*

	Note	2020	2019
			(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		**(1,620)**	461
Other comprehensive income for the year		**(1,620)**	461
Total comprehensive income for the year		**(27,358)**	(21,319)
Loss for the year attributable to:			
Owners of the Company		**(24,063)**	(21,234)
Non-controlling interests		**(1,675)**	(546)
		(25,738)	(21,780)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(25,683)**	(20,773)
Non-controlling interests		**(1,675)**	(546)
		(27,358)	(21,319)
		HK cents	*HK cents*
Basic and diluted loss per share	*10*		
– Basic		**(7.38)**	(6.63)
– Diluted		**(7.38)**	(6.63)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	**2020** ***HK$'000***	2019 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**240,742**	232,299
Investment properties		**130,100**	130,100
Financial assets at fair value through other comprehensive income		**4,446**	9,298
		375,288	371,697
Current assets			
Inventories		**83**	85
Financial assets at fair value through profit or loss	*11*	**69,946**	88,836
Trade and other receivables, deposits and prepayments	*12*	**8,177**	4,087
Amount due from non-controlling interest		**10**	10
Tax recoverable		**–**	32
Pledged bank deposits		**92,469**	86,062
Cash and bank balances		**26,325**	21,866
		197,010	200,978
Current liabilities			
Trade payables	*13*	**189**	137
Other payables and accruals		**5,289**	5,155
Amount due to a shareholder		**15,000**	–
Contract liabilities		**45**	450
Amount due to non-controlling interest		**2**	2
Lease liabilities		**8,935**	4,419
Bank borrowings (secured)		**195,806**	196,950
		225,266	207,113
Net current liabilities		**(28,256)**	(6,135)
Total assets less current liabilities		**347,032**	365,562

	2020	2019
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**9,803**	2,955
Bank borrowings (secured)	**8,565**	8,987
Deferred tax liabilities	**6,652**	4,250
	25,020	16,192
Net assets	**322,012**	349,370
EQUITY		
Share capital	**65,215**	65,215
Reserves	**254,629**	280,312
Equity attributable to the owners of the Company	**319,844**	345,527
Non-controlling interests	**2,168**	3,843
Total equity	**322,012**	349,370

Notes:

1. GENERAL INFORMATION

The consolidated financial statements of the Group have been prepared in accordance with all Hong Kong Financial Reporting Standards ("**HKFRSs**") which collectively includes 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 consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and 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 depreciation of leased properties held for the Group's hair styling services for the year ended 31 December 2020 in the consolidated statement of comprehensive income has been reclassified from administrative expenses to cost of revenue. The Group considered that the current presentation is more appropriate for the results of the Group following the development of the Group's hospitality services. The comparative amounts in the consolidated statement of comprehensive income for the year ended 31 December 2019 are re-presented accordingly.

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 2020

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 2020:

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

Other than the amendments to HKFRS 3, none of these new or amended HKFRSs has material impact on the Group's results and financial position for the current or prior period and/or accounting policies. Impact on the application of amendments to HKFRS 3 is summarised below.

Amendments to HKFRS 3 Definition of a Business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 January 2020.

(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 HKAS 1	Classification of Liabilities as Current or Non-current[5]
HK-Int 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[5]
Amendments to HKAS 16	Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions[1]
Amendments to HKAS 39, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[2]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 9 Financial Instruments and HKFRS 16 Leases[3]

1 Effective for annual periods beginning on or after 1 June 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 Effective for annual periods beginning on or after 1 January 2022
4 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022
5 Effective for annual periods beginning on or after 1 January 2023

The directors of the Company 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.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and HK Int 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKAS 16 Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The directors of the Company is currently assessing the impact, but they consider that the application of the amendments will not have material effect to the Group's consolidated financial statements.

Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The directors of the Company is currently assessing the impact, but they consider that the application of the amendments will not have significant impact on the Group's consolidated financial statements.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 *Levies*, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

Amendment to HKFRS 16 COVID-19-Related Rent Concessions

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

Amendments to HKAS 39, HKFRS 7, HKFRS 9 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "**Reform**"). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

Annual Improvements to HKFRSs 2018-2020

The annual improvements amends a number of standards, including:

– HKFRS 9, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

– HKFRS 16, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

3. REVENUE

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

	2020	2019
	HK$'000	*HK$'000*
Rendering of hair styling services and related product sales	**15,236**	18,120
Securities investments	**2,969**	3,688
Hospitality services income	**8,976**	118
Gross rental income from investment properties	**4,257**	9,097
Interest income from money lending	**2**	–
Service income from property management project	**3,908**	–
	35,348	31,023

4. OTHER INCOME

	2020	2019
	HK$'000	*HK$'000*
Bank interest income	**2,300**	3,515
Dividend income from listed investments classified as financial assets at fair value through other comprehensive income ("**FVOCI**")	**193**	613
Sundry income	**1,219**	1,110
Government subsidies *(Note)*	**2,167**	–
Exchange gain	**5,547**	–
	11,426	5,238

Note: Among the government subsidies, an amount of HK$1,542,000 (2019: nil) is government grant obtained from the Employment Support Scheme ("**ESS**") under the Anti-epidemic Fund launched by the Government of the Hong Kong Special Administrative Region supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group has complied with the requirements set out in the ESS for the year ended 31 December 2020.

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

Segment revenue and results

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

	Segment revenue		**Segment results**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**15,236**	18,120	**(22)**	(964)
Money lending	**2**	–	**(19)**	(28)
Property investments	**4,257**	9,097	**(4,161)**	1,948
Securities investments	**2,969**	3,688	**(9,845)**	(8,415)
Hospitality service	**8,976**	118	**(1,869)**	65
Property project management	**3,908**	–	**84**	–
	35,348	31,023	**(15,832)**	(7,394)
Unallocated income			**4,560**	4,051
Exchange gain/(loss), net			**5,547**	(4,375)
Corporate staff costs			**(7,434)**	(8,154)
Other corporate and unallocated expenses			**(10,188)**	(5,001)
Loss before income tax			**(23,347)**	(20,873)

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 excluded certain bank interest income, dividend income from financial assets at FVOCI, exchange gain/(loss), net and fair value change on financial instruments which arise from assets that are managed on a group basis. Segment results also excluded 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

	2020	2019
	HK$'000	*HK$'000*
Segment assets		
Hair styling	**9,876**	11,741
Money lending	**66**	95
Property investments	**135,813**	140,147
Securities investments	**71,784**	89,271
Hospitality service	**230,722**	217,828
Property project management	**322**	–
Total segment assets	**448,583**	459,082
Financial assets at FVOCI	**4,446**	9,298
Pledged bank deposits	**92,469**	86,062
Short-term bank deposits	**2,361**	–
Other corporate and unallocated assets	**24,439**	18,233
Consolidated total assets	**572,298**	572,675
Segment liabilities		
Hair styling	**5,561**	7,270
Money lending	**23**	23
Property investments	**15,865**	53,077
Hospitality service	**46,858**	160
Property project management	**241**	–
Total segment liabilities	**68,548**	60,530
Deferred tax liabilities	**6,652**	4,250
Bank borrowings	**155,120**	155,120
Other corporate and unallocated liabilities	**19,966**	3,405
Consolidated total liabilities	**250,286**	223,305

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 short-term bank deposits which are managed on group basis and other corporate and unallocated assets; and

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

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hair styling	**–**	1	**–**	–	**251**	355	**41**	10,532	**3,279**	3,764
Property investments	**1**	1,064	**–**	10,000	**327**	6,269	**–**	–	**170**	210
Hospitality service	**–**	–	**–**	–	**1,289**	–	**13,620**	–	**4,004**	–
	1	1,065	**–**	10,000	**1,867**	6,624	**13,661**	10,532	**7,453**	3,974
Unallocated	**2,299**	2,450	**–**	–	**3,451**	192	**73**	21	**1,627**	1,878
Total	**2,300**	3,515	**–**	10,000	**5,318**	6,816	**13,734**	10,553	**9,080**	5,852

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	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**285,382**	275,969	**32,404**	28,222
Macau	**85,460**	86,430	**2,944**	2,801
	370,842	362,399	**35,348**	31,023

Information about a major customer

None of the customers individually contributed 10% or more of the Group's revenue for the year ended 31 December 2020.

Revenue from a customer of the Group's property investments segment amounted to HK$4,700,000 which represented more than 10% of the Group's revenue for the year ended 31 December 2019.

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by operating segments and timing of revenue recognition. Revenue from other sources are analysed in the table.

	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Timing of revenue recognition – Over time		
Hair styling services	**14,402**	17,657
Hospitality service	**8,976**	118
Property project management service	**3,908**	–
Timing of revenue recognition – At a point in time		
Product sales under hair styling services	**834**	463
Revenue from other sources		
Rental income	**4,257**	9,097
Interest income from money lending	**2**	–
Securities investments	**2,969**	3,688
	35,348	31,023

6. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest charges on bank loans	**4,562**	6,289
Interest charges on lease liabilities	**756**	527
	5,318	6,816

7. LOSS BEFORE INCOME TAX

	2020	2019
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	**600**	530
Depreciation		
Property, plant and equipment	**795**	604
Right-of-use assets:		
– Leasehold land and buildings (owned assets)	**1,201**	199
– Other properties leased for own use (under lease arrangement)	**7,084**	4,908
– Motor vehicles (under lease arrangement)	**–**	141
Employee benefit expenses	**22,496**	21,331
Exchange (gain)/loss, net	**(5,547)**	4,375
Write-off of property, plant and equipment	**6**	16
Gain on disposal of property, plant and equipment	**(5)**	–
Rentals received/receivable from investment properties less direct outgoings of HK$376,000 (2019: HK$528,000)	**(3,881)**	(8,569)
Short-term leases expenses	**456**	456

8. INCOME TAX EXPENSE

	2020	2019
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– Over-provision in respect of prior years	**(11)**	–
	(11)	–
Deferred tax	**2,402**	907
	2,391	907

The Group is subject to Hong Kong Profits Tax. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No Hong Kong Profits Tax has been provided in the financial statements as the Group did not derive any estimated assessable profits in Hong Kong for the current and prior years.

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% (2019: 12%).

9. DIVIDENDS

The directors do not recommend a payment of final dividend for the year ended 31 December 2020 (2019: Nil).

10. LOSS PER SHARE

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

	2020	2019
	HK$'000	*HK$'000*
Loss for the year		
Loss attributable to owners of the Company	**(24,063)**	(21,234)

	2020	2019
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**326,077**	320,112

For the purposes of calculating diluted loss per share for the years ended 31 December 2020 and 2019, 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

	2020	2019
	HK$'000	*HK$'000*
Listed equity investments held for trading, at fair value	**69,946**	88,836

Financial assets at fair value through profit or loss represents listed equity investments held for trading, at fair value.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**123**	–
Other receivables, deposits and prepayments	**8,054**	4,087
	8,177	4,087

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:

	2020	2019
	HK$'000	*HK$'000*
0-30 days	**1**	–
31-60 days	**–**	–
61-90 days	**10**	–
More than 90 days	**112**	–
	123	–

No loss allowance was provided for the year ended 31 December 2020 (2019: nil) 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 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:

	2020	2019
	HK$'000	*HK$'000*
0-30 days	**139**	112
31-60 days	**50**	25
	189	137

14. IMPACTS OF COVID-19

The outbreak of COVID-19 in January 2020 has created certain impact on the business of the Group.

The Group estimated that the degree of COVID-19 impact would depend on the pandemic preventive measures and the duration of the pandemic. Given the dynamic circumstance and uncertainties of COVID-19 situation, the Group will keep continuous attention on the development of COVID-19 situation and react actively to its impacts on the operation and financial position of the Group, and in the event that there are any significant financial impacts, the Company will reflect it in the Group's 2021 financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

General Performance

2020 was a year of grim for many economies across the globe due to the devastating effects of COVID-19 resulting in a recession in majority of nations and in others a depression. International Monetary Fund estimated a 3.5% global economic contraction in 2020, the worst in decades except China which impressively still recorded a 2.3% GDP growth in the epidemic. In Hong Kong and Macau where the Group operates, both governments faced difficult trade-off between containing the spread of the COVID-19 and keeping its economy afloat. Notwithstanding the release from the governments various stimulus/relief packages to support businesses and individuals, GDP in Hong Kong and Macau contracted by 6.1% and 56.3% respectively. We have seen businesses large and small suffered with many requiring financial lifelines to survive. Looking back when COVID-19 was gaining momentum worldwide, the Group's various businesses like many others had been adversely affected and new business initiatives were put on hold.

During the year under review, the Group's net loss increased by 18% to approximately HK$25,738,000 after netting the effects for (i) the absence in 2020 fair value gain on investment properties and gain on disposal of an investment property in aggregate at HK$10,800,000 in 2019; (ii) unrealised RMB exchange gain of HK$5,547,000 in the year under review instead of unrealised RMB exchange loss of HK$4,375,000 in 2019; (iii) government pandemic subsidies received during the year under review amounted to HK$2,167,000 and (iv) adjustment of deferred tax assets resulting in increased income tax expenses of HK$2,402,000 for the year under review.

The Group's revenue increased by approximately 14% from HK$31,023,000 in 2019 to approximately HK$35,348,000 in 2020 as the business segments of hospitality services and property project management commencing businesses in December 2019 came in their full year operation. As the profit margin of hospitality business and property project management business is by industry reference lower than our other business segments, kicking off these two business segments in 2020 reduced our gross profit by 33% to HK$12,256,000. In addition, the accounting treatment for better financial presentation of direct cost of businesses to the effect that the depreciation of leased properties held for the Group's hair styling services and hospitality service business as well as staff cost of hospitality business were reclassified from administrative expenses to cost of revenue further reduced gross profit ratio. Other income increased by 118% to HK$11,426,000 after compensating the decrease in bank interest income of HK$1,215,000 from the relatively lower interest rate in year under review with the received government pandemic subsidies of HK$2,167,000 and accrued unrealised exchange gain on RMB deposits at HK$5,547,000. The administrative expenses were substantially decreased by 20% to HK$28,898,000 mainly due to the absence of non-recurring one off expenditure incurred in 2019 for (i) cost related to relocating our flagship hair salon; (ii) legal and professional estate agency fee for disposing and entering into new tenancies of our investment properties; (iii) the unrealised exchange loss on RMB bank deposits which turnaround to exchange gain in 2020; and (iv) bank charges for switching banking facilities between banks. At the same time the Group reviewed all the overheads in an attempt to control administrative cost and amongst the various endeavours taken included continuing freezing all payroll and discretionary year-end bonus of staff and management alike to keep the Group's sustainability in the adverse economy.

As at 31 December 2020, the Group's net asset value was approximately HK$322,012,000 and net asset value per share was approximately HK$0.99. The Group's total assets and total liabilities were approximately HK$572,298,000 and HK$250,286,000 respectively.

Property Investments Business

During the year under review, total rental income contributed from Hong Kong and Macau investment properties amounted to HK$4,257,000, decreased by approximately 53% compared to the year before. 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$4,700,000 in 2019, was turned to self use when we took up the operation in December 2019. Return from leasing the investment properties was about 4.8% comparing the gross rental income and original cost of investments. 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$4,161,000 for the year under review compared to a profit of HK$1,948,000 the year before.

There is no acquisition or disposal of investment properties during the year under review. Total valuation of the investment properties remain the same as 2019 at HK$130,100,000 despite some variances on individual properties.

In Hong Kong total rental income derived from the Group's investment properties portfolio comprised of a retail shop in Sheung Wan and residential units in Taikoo Shing decreased approximately 18% to HK$1,313,000 with investment yield being approximately 4.7%. The decreased rental income was mainly due to income not generated in 2020 from a residential investment property after disposal was completed in second quarter of 2019 plus vacancy of another residential property for five months in the latter half of 2020 before a new tenancy commenced early this year.

Rental income from Macau properties increased approximately 5% to HK$2,944,000. Despite rental concessions granted to tenants during the year due to pandemic and the vacancy of our residential unit in the last quarter of the year as the tenancy expired, rental income from Macau properties increased due to (i) full occupancy in 2020 versus nine months' occupancy of the retail shop which was vacant 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. An average yield of about 4.8% comparing the gross rental income and original cost of investments on Macau properties was recorded.

The property market sentiment in both Hong Kong and Macau is weak following the social protests in Hong Kong in the latter half 2019 and the combined impact of the ongoing US-China trade tension and the coronavirus outbreak which hits hard on the tourism/hospitality and retail sectors in which our tenants operate. However we believe the relevant sectors will likely rebound this year given last year's low base as the pandemic is better contained with the roll out of mass vaccine program, the eventual border reopening and the gradual relaxation in social distancing. The continued low interest environment as a result of global monetary easing policies adopted by major countries should help the property market to remain steady. It is no surprise that COVID-19 with its lingering unpredictable and sporadic outbreaks will continue to impact our economy in 2021 leading to uncertain business outlook and standing high unemployment rate and as such, upcoming lease renewal, occupancy and rental rate for our investment properties will inevitably come under pressure.

Hair Styling Business

Due to the negative impact of the pandemic on the business environment during the year, turnover of this segment amounted to HK$15,236,000 representing an decrease of 16% as compared with 2019. Segment net loss in 2020 was HK$22,000 compared to net loss of HK$964,000 the year before. Decrease in segment loss was attributable to the combined effect of (i) the absence in 2020 of the one-off expenditure for relocating the salon to the new location and the reinstatement cost of yielding up the old salon to the landlord in 2019; and (ii) the rental concession savings and government subsidies received due to the pandemic in the year under review.

Retail products sales is a major focus in enhancing our income base after relocation of salon. Retail products sales increased 80% to HK$834,000 compared to the year before. More new brands and co-operation with luxury hair and beauty brands were introduced during the year 2020 and we will continue to put in resources in further expanding our product sales in both retail and wholesale dimentions. Meanwhile the Group strictly follows government guidelines and implemented preventive measures to safeguard the well being of our customers and employees. To recalibrate our operations for ensuring long-term sustainability, strenuous effort is made to improve our service quality and as always strengthen operation with stringent measures to control costs and maintain liquidity while new marketing strategies are deployed to enhance business performance.

Hospitality Service Business

Turnover of the segment was reported at HK$8,976,000 with segment loss of HK$1,869,000. The segment commenced business in late December 2019 when we took over the operation of the boutique hotel. During the year under review, the Group 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 economies 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.

Due to the outbreak of COVID-19 which brought travel to a standstill, devastating the tourism/hospitality industry with lockdowns and travel restrictions imposed across countries, results of the business segment in 2020 is far below our target performance. To survive the hardship and lift up the occupancy rate, the Group adopted the most flexible pricing strategy and shifted its focus to target the neighbouring and local community by offering staycation packages and flash sales. With an objective to building up a recurring income in the short term, the Group renovated and modified part of our facilities during the year to accommodate the needs of co-living tenants. The co-living business which targets at the local demand has brought forth positive market responses and value added to our operations. We always believe agility and innovation will help to survive in crisis and management will consider the feasibility to capture on the opportunities present from the emerging trend of co-working space concept with a rising market demand for “Work From Hotel” in echo to the “Work From Home” which has become a norm during the pandemic.

Despite the unprecedented challenges we faced with the rampant pandemic, we believe in the long-term prospect of the tourist industry in Hong Kong. Hong Kong tourism industry has its advantages and competitiveness where it could leverage on the completion of the cross-border infrastructure (the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macau Bridge) to attract more Mainland visitors; the undergoing construction of the third runway of Hong Kong International Airport to expand its operation capacity as well as geographical coverage; the developing West Kowloon Cultural District to enhance the cultural elements of Hong Kong tourism and working closely with the Greater Bay Area to attract new and returned tourists for multi-destination travel. Hospitality business will be one of the key directions in our future business development and in particular, provision of accommodation in Hong Kong as well as Macau which today has developed into an international tourism resort city famous for the blend of Portugese and Chinese culture. Through leveraging the management experience the Group has attained from previous hotel investment projects, we set path to become a promising operator in the modern hostel and guesthouse segment in Hong Kong, Macau and neighbouring cities. Projects explored and identified previously to add to our hospitality service operation portfolio were put on hold due to the uncertainties and downside risks of the pandemic but the management will closely monitor the market development as well as government policies and measures to catch the right timing to execute our expansion plan.

Securities Investments

As at 31 December 2020, the Group had financial assets at fair value through profit or loss of approximately HK$69,946,000 (31 December 2019: HK$88,836,000). The securities investments portfolio comprised of Hong Kong blue chips and REITs with adequate yield on dividend income and liquidity in secondary market. The Group recorded unrealised loss of HK$11,958,000 on the securities investments held. Dividend income from securities investments amounted to HK$2,969,000 was recorded in the reviewing year.

Against the backdrop of the global pandemic, escalating geopolitical tensions and economic fragility in 2020, the Hong Kong financial market was robust marked by record high trading volumes and the best year since 2010 in terms of IPO fund raising amount with new economy companies. In fact, Hong Kong is now the Asia's most thriving financial ecosystem for technology and new economy companies. However, share prices of traditional company whose business were adversely impacted to varying degrees by the pandemic plummeted from pre COVID-19 are under-performing. We anticipate that when the business environment in Hong Kong is restored and the present epidemic comes under control, prices of the securities investments will gradually reflect its intrinsic value.

The Group's significant investments (i.e. investment with carrying amount exceeding 5% of the total assets of the Group) held as at 31 December 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**	**Dividend income for the year ended 31 December 2020**	**Fair value loss for the year ended 31 December 2020**	**Fair value at 31 December 2020**	**Approximate percentage of total assets of the Group at 31 December 2020**
		%	*HK$000*	*HK$000*	*HK$000*	*HK$000*	*%*
Link Real Estate Investment Trust (823)	704,583	0.034%	66,549	2,077	(7,996)	49,744	8.7%

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

Note 2: During the year 2020, it recorded a loss on disposal amounted to HK$974,000.

Note 3: The Group will hold the investment for dividend income and to reduce the investment when the unit price increases to a reasonable level.

Property Project Management Business

The Group commenced its business 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 altering layout, reengineering technical input and output as well as change of use of the properties. We offer customers with a turnkey model solution and acting as representative of the property owner to source, liaise and coordinate with architect/designer as well as main contractor for better project management. During the year the Group completed projects focusing in residential properties generating HK$3,908,000 total revenue with segment profit of HK$84,000. As the economy revives, we strive to expand the scale of the business segment by collaborating with local renowned architect/interior designer to explore into new projects.

Other Business Segments

Money lending business recorded one personal loan with total revenue of HK$2,000 and segment loss of HK$19,000 for the year under review.

FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 31 December 2020, the Group had cash and bank balances including pledged bank deposits of HK$118,794,000 in aggregate and net current liabilities of HK$28,256,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2020 was approximately 0.87 times (31 December 2019: 0.97 times).

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

During the year, the Group's investment properties, property, plant and equipment and certain bank deposits were pledged to two banks to secure the bank borrowings of approximately HK$204,371,000, 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 2020 (31 December 2019: Nil) and there is no capital commitments as at 31 December 2020 (31 December 2019: Nil).

II. Capital Structure of the Group

As at 31 December 2020, the Group had total equity of HK$322,012,000, fixed rate liability of HK$18,738,000, floating rate liability of HK$204,371,000 and interest-free liabilities of HK$27,177,000, representing 6%, 64% and 8% 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 2020 was approximately 5.7% (31 December 2019: 3.4%).

III. Significant Investments, material Acquisition and Disposal

During the year ended 31 December 2020, the Group had not made any significant investments or material acquisition.

IV. Employment Information

As at 31 December 2020, the Group employed approximately a total of 47 employees (2019: 37), an increase due to launching of the new hospitality business. 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 2020, total staff costs (excluding Directors' emoluments) amounted to approximately HK$11,396,000 (2019: HK$9,871,000).

V. Final Dividend

The Directors do not recommend the payment of final dividend for the year ended 31 December 2020 (2019: Nil).

PROSPECTS

COVID-19 will continue to impact the major global economies in 2021 but Aisa is expected to lead in global economic recovery post COVID-19. China could be amongst the first country in the world to recover its economy and as unveiled by the latest economic data, recovery will be fast notwithstanding that in the near term US-China trade relations remain strained under the Biden administration which seems to retain a tough stance with China similar to Trump. China will continue to rebalance its economy and push out structural reforms including the "dual circulation strategy" which refers to a parallel emphasis on "internal" and "international" circulation. China's steady economic growth and the Greater Bay Area initiatives to promote coordinated regional economic development will have a ripple effect on our economy and give new impetus to the Group's business development in the region.

For over a year since the coronavirus outbreak, the roll out of vaccines across the globe is considered by many as game changer in the battle against the virus and brings light and hope to the tourism/hospitality and retail sectors that have been so severely battered. The Group had to put on hold projects which the Group explored and identified to add to our hospitality service operation portfolio after weighing on the pros and cons. The reopening of borders and return to travel will ultimately depend on the success of mass vaccinations not only in our home base but in Europe, US and to some degree China which is a key source market for many destinations across Asia Pacific not to mention Hong Kong where we operate our hostels. We are confident travel will return which is not a matter of if but rather when. The inherent wanderlust in human nature, relatively cheap cost of travel and pent-up demand all add up to support the expectation of a V-shaped recovery for the tourism/hospitality sector in the near term with due caution as borders re-open and the mechanism to facilitate mass travel is formalized between governments like administering digital health pass/vaccination travel ID.

It is everybody's wishful thinking that the vaccination campaigns being rolled out globally, the pandemic will eventually be brought under control. We envisage the world would be somewhat different after COVID-19. Many trends are already underway globally like the acceleration of digital economy due to the pandemic and certain structural changes such as remote working and learning, telemedicine, virtual meetings etc are more widely adopted and embraced. Digital capabilities will certainly become an increasingly important factor for majority businesses to respond to changing customers' needs and maintain a competitive edge for sustainable growth. Looking ahead, the global economy is generally expected to recover from the second half of 2021 onwards but not without the volatilities from the uncertainty associated with coronavirus or new variants of coronavirus status quo, evolving China/US relations, escalating geopolitical tensions, profound changes in the international landscape. With a pragmatic mindset backed by expertise and experience in our business, the Group will make timely adjustments or reforms including application of digital technologies to improve operational efficiency and achieve further growth at the time when people's daily lives somewhat return to normal and our economy recovers from the epidemic.

CORPORATE SOCIAL RESPONSIBILITY

The Group always strives for being a responsible 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 environment 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 2020, the Group was honoured with the following awards:

- "Caring Company" by the Hong Kong Council of Social Services for 13 years in succession
- "Good MPF Employer" by Mandatory Provident Fund Schemes Authority for 6 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 3 continuous sessions
- "Hong Kong Green Organization" accredited by Environmental Campaign Committee since January 2018
- accredited as "Happy Company"(organized by Hong Kong Promoting Happiness Index Foundation) in May 2020 and have committed to develop corporate caring, wisdom, toughness and motivation so as to provide a happy workplace for staff

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 2020, 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 Rules**") 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 2020.

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 2020 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, 25 May 2021 to Friday, 28 May 2021 (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, 24 May 2021.

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 2021

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.