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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

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

**THE NEW LEASE**

The Board announces that on 19 July 2023, Full Wave, an indirect non wholly-owned subsidiary of the Company, entered into the New Lease as tenant with City Sino, an Independent Third Party, as landlord in respect of the Premises under the Existing Lease for a term of one year commencing from 1 July 2023 to 30 June 2024 (both days inclusive) for the Group's hospitality service business operation in North Point.

**LISTING RULES IMPLICATIONS**

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

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*\* For identification purpose only*

## KEY TERMS OF THE NEW LEASE

Date:	19 July 2023
Parties:	(i) City Sino Development Limited, an Independent Third Party, as the landlord (ii) Full Wave Development Limited, an indirect non wholly-owned subsidiary of the Company, as the tenant
Premises:	2 <sup>nd</sup> Floor to 13 <sup>th</sup> Floor, No. 375 King's Road, North Point, Hong Kong
Term:	one year commencing on 1 July 2023 and expiring on 30 June 2024 (both days inclusive)
Use:	The tenant shall use the Premises solely for operating guesthouse business licensed under the Hotel and Guesthouse Accommodation Ordinance (Cap349)
Monthly rental:	Monthly rent of HK\$453,750 throughout the term (exclusive of rates and other outgoings) to be paid in advance on the first day of each and every calendar month without deduction. The aggregate value of consideration payable under the New Lease is approximately HK\$5,445,000
Rates:	The tenant shall pay rates charged on the Premises as assessed by the government of Hong Kong
Security Deposit:	A cash deposit of HK\$1,361,250, being the sum of three months' rent, of which partly transferred from the security deposit paid under the Existing Lease at HK\$1,350,000 and the balance of \$11,250 will be settled by cash
Option to renew:	The tenant shall have an option to renew the lease for a further term of two years from the expiration of the term at the prevailing market rent at the time

The monthly rent payment and the stamp duty will be paid through the Group's internal source of funding.

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

Pursuant to HKFRS 16, the tenancy of the Premises will be recognized as right-of-use assets for an amount of approximately HK\$5,253,000, which is calculated with reference to the present value of the aggregated lease payments to be made under the New Lease.

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

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

The Group is currently leasing the Premises under the Existing Lease for the operation of its hospitality services business in the trade name of "Homy Inn" and which expired in April 2023. Whilst negotiating between the parties terms of the New Lease, the Existing Lease was extended for two months to 30 June 2023 upon the same terms and conditions at the monthly rent of HK\$450,000 exclusive of rates and other outgoings. Entering into the New Lease will enable the Group to continue its hospitality services operation at the Premises and the Group intends to further renew the tenancy upon its expiry in 2024 subject to an agreed rental with the landlord. The Group currently operates hospitality services business in three locations in North Point, Sheung Wan and Yau Ma Tei respectively in Hong Kong. The New Lease can maintain the Group's operation size and benefit from economies of scale in operation providing services at a relatively lower cost and laying the foundation for future growth in medium to long term.

The Premises, located in North Point with 99 rooms, is in the traditional residential district and proximate to the well-developed island east commercial area with steady demand in hospitality service from the locals. Demand from travelers is also restoring as Hong Kong opens to tourism and reconnects with the Mainland and the world after the pandemic.

The terms of the New Lease was arrived after arm's length negotiations and the rental was determined after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises and the existing rent of the Premises under the Existing Lease.

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

## **INFORMATION ON THE PARTIES**

### **Full Wave**

Full Wave Development Limited is a limited liability company incorporated under the laws of Hong Kong on 21 February 2020, which is an indirect non wholly-owned subsidiary of the Company. Full Wave is the operational entity for the Group's hospitality service business at the Premises.

### **The Landlord**

City Sino Development Limited is a limited liability company incorporated under the laws of Hong Kong on 20 July 2011. The principal activity of the landlord is property investments. City Sino Development Limited is owned as to one-third by each of Hsu Hua Sha, Hung Tung Kwun and Sze Nang Sze. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Hsu Hua Sha, Hung Tung Kwun and Sze Nang Sze are ultimate beneficial owners of City Sino. City Sino, each of its ultimate beneficial owners and its respective associates are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

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

## **DEFINITIONS**

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

“Board”	the board of Directors
“City Sino”	City Sino Development Limited, a limited liability company incorporated under the laws of Hong Kong on 20 July 2011, which is an Independent Third Party and the landlord of the Premises under the Existing Lease and the New Lease

“Company”	Century Legend (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company
“Existing Lease”	the existing lease dated 29 April 2020 entered into between Full Wave as the tenant and City Sino as the landlord of the Premises which expired in April 2023
“Full Wave”	Full Wave Development Limited, a limited liability company incorporated under the laws of Hong Kong on 21 February 2020, and an indirect non wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “Leases” which includes standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not connected persons of the Company and is third party independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“New Lease”	a formal lease agreement dated 19 July 2023 entered into between Full Wave as the tenant and City Sino as the landlord in relation to the renewal lease of the Premises

“Premises”	2 <sup>nd</sup> Floor to 13 <sup>th</sup> Floor, No. 375 King’s Road, North Point, Hong Kong
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.20 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 19 July 2023

*As at the date of this announcement, the Board comprises seven Directors, of which three are executive Directors, namely, Mr. Tsang Chiu Mo Samuel, Ms. Tsang Chiu Yuen Sylvia and Ms. Chu Ming Tak Evans Tania and four are independent non-executive Directors, namely Mr. Hui Yan Kit, Mr. Lau Pui Wing, Ms. Ho Ting Mei and Mr. Wu BinQuan.*