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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

DISCLOSEABLE TRANSACTION
IN RELATION TO DISPOSAL OF PROPERTY

The Board announces that on 18 June 2024, the Vendor (a wholly-owned subsidiary of the Company) entered into the Provisional SP Agreement with the Purchaser and the Agent in relation to the disposal of the Property, which is a residential unit in Taikoo Shing, Hong Kong, for a consideration of HK\$10,680,000. The Property is currently occupied by tenant under tenancy and will be sold subject to and with the benefit of the existing tenancy.

The Provisional SP Agreement serves as a framework to govern the action that the parties shall take, including the execution of the Formal Agreement. The Formal Agreement will be signed on or before 28 June 2024. Completion is scheduled to take place on or before 19 August 2024.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Disposal exceeds 5% but are all less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

THE PROVISIONAL SP AGREEMENT

On 18 June 2024, the Vendor entered into the Provisional SP Agreement with the Purchaser and the Agent for the disposal of the Property.

** For identification purpose only*

SUMMARY OF TERMS OF THE PROVISIONAL SP AGREEMENT

Date: 18 June 2024

Vendor: Century Legend Management Limited, a wholly-owned subsidiary of the Company

Purchaser: Ms. Dai Yonghong

Agent: Easy Property Company Limited, is a property agency company incorporated in Hong Kong with limited liability

To the best knowledge, information and belief of the Directors, and having made all reasonable enquires, the Purchaser, the Agent and the controlling shareholders of the Agent are Independent Third Parties.

Subject matter:

Pursuant to the Provisional SP Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property located at Flat B, 10th Floor, Kai Tien Mansion, Horizon Gardens, No. 17 Taikoo Wan Road, Taikoo Shing, Hong Kong subject to the existing tenancy.

The Provisional SP Agreement serves as a framework to govern the action that the parties shall take, including the execution of the Formal Agreement. The Formal Agreement shall be signed on or before 28 June 2024. Completion of the sale and purchase of the Property shall take place on or before 19 August 2024. The Provisional SP Agreement shall have binding effect on the Vendor and the Purchaser and shall remain in full force and effect unless and until replaced by the Formal Agreement.

Consideration and payment terms:

The consideration for the Property of HK\$10,680,000 is payable in the following manner:

- (i) the initial deposit of HK\$400,000 (representing approximately 3.7% of the Consideration) was paid by the Purchaser to the Vendor's solicitors as stakeholder upon the signing of the Provisional SP Agreement subject to the terms and conditions thereof;
- (ii) a further deposit of HK\$668,000 (representing approximately 6.3% of the Consideration), shall be paid by the Purchaser to the Vendor's solicitors as stakeholder upon the signing of the Formal Agreement subject to the terms and conditions of the Provisional SP Agreement; and

- (iii) the remaining balance of HK\$9,612,000 (representing 90% of the Consideration), shall be payable by the Purchaser to the Vendor upon Completion.

If the Purchaser fails to complete the purchase pursuant to the terms of the Provisional SP Agreement, any deposits paid by the Purchaser shall be forfeited to the Vendor and the Vendor shall then be entitled at its absolute discretion to sell the Property to anyone it thinks fit and the Vendor shall not sue the Purchaser for any liabilities and/or damages caused by the Purchaser's default of the Provisional SP Agreement or to enforce specific performance of the Provisional SP Agreement against the Purchaser. If the Vendor fails to complete the sale pursuant to the terms of the Provisional SP Agreement, the Vendor shall immediately refund all deposits received to the Purchaser together with a sum equivalent to the total amount of deposits paid by the Purchaser as liquidated damages and the Purchaser shall not take any further action to claim for damages or to enforce specific performance of the Provisional SP Agreement against the Vendor. If the Purchaser or the Vendor fails to complete the sale and purchase in accordance with the terms of the Provisional SP Agreement, the defaulting party shall compensate the Agent the total amount of commission payable by the Purchase and the Vendor as liquidated damages, which amounted to HK\$213,600.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the prevailing market value of similar properties in the same area in Hong Kong.

INFORMATION ON THE PROPERTY

The Property is a residential unit located in Taikoo Shing with a total gross floor area of approximately 902 sq. ft.. The Property is an investment property held by the Group to generate rental income since it was acquired in May 2011.

As at 31 December 2023, the audited carrying value of the Property was approximately HK\$13,200,000. The Property was leased to a tenant for a term of two years from 7 April 2022 to 6 April 2024 at monthly rental of HK\$28,500. Upon its expiry, the tenancy was further renewed for another two years from 7 April 2024 to 6 April 2026 at the same monthly rental. For the years ended 31 December 2023 and 2022, after deducting direct expenses in connection with the Property such as government rent and rates, management fees, insurance as well as repair and maintenance expenses, the net profit before and after taxation attributable to the Property was approximately HK\$297,000 and HK\$180,000, respectively.

INFORMATION ON THE PARTIES

Vendor

Century Legend Management Limited is a limited liability company incorporated under the laws of Hong Kong on 16 June 1994, which is a wholly-owned subsidiary of the Company. The principal activities of the Vendor are property investments and provision of properties management services in Hong Kong.

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.

Purchaser

Ms. Dai Yonghong, an individual who is an Independent Third Party

FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

As at 31 December 2023, the audited carrying value of the Property was approximately HK\$13,200,000. Based on the Consideration of HK\$10,680,000, the Group is expected to recognize a loss (net of related legal costs, commission and expenses) of approximately HK\$2,639,000 from the Disposal for the year ending 31 December 2024.

Based on the Consideration of HK\$10,680,000 and the associated estimated direct cost of the Disposal of HK\$119,000 and repayment of balance of bank mortgage loan of HK\$2,215,000, the Group is expected to receive net proceeds of approximately HK\$8,346,000 from the Disposal. The Group intends to use the proceeds for general working capital of the Group.

REASONS AND BENEFITS FOR THE DISPOSAL

The Directors undertake strategic review of the Group's assets from time to time with a view to maximizing returns to Shareholders. Hong Kong real estate market faced numerous headwinds in the recent year including the sluggish local economy and continued high interest rates. Residential demand had been dampened with increased borrowing cost and together with the competition from launching of newly completed residential estates, both transaction prices and volume in the secondary market have been under downward pressure. Up until February this year as HKSAR government removed all cooling measures for residential properties to boost the property market, only transaction volume but not so much the transaction price had improved. Some industry experts hold the view going forward property prices in Hong Kong are unlikely to return to the kind of breakneck growth seen in the past. In view thereof, the Board is of the opinion that the Disposal at a consideration approximately 28% over its initial cost of acquisition of the Property in 2011 represents a good opportunity for the Group to realise its investment in the Property and enhance the financial position of the Group.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser having considered the market value of the residential properties nearby. In view of the above, the Board is of the view that the terms of the Provisional SP Agreement, including the Consideration, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders of the Company as a whole.

The business of the Group will remain the same after completion of the Disposal, and the Directors do not anticipate that the completion of the Disposal will have a significant effect on the business and performance of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Disposal exceeds 5% but are all less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agent”	Easy Property Company Limited
“Board”	the board of Directors;
“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;
“Completion”	completion of the Disposal;
“Consideration”	the consideration of HK\$10,680,000 for the Disposal;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Property pursuant to the Provisional SP Agreement;
“Formal Agreement”	the final and formal contract to be signed between the Purchaser and the Vendor in relation to the Disposal;
“Group”	the Company and its subsidiaries;
“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;
“Property”	Flat B, 10 th Floor, Kai Tien Mansion, Horizon Gardens, No. 17 Taikoo Wan Road, Taikoo Shing, Hong Kong;
“Provisional SP Agreement”	the provisional agreement for sale and purchase dated 18 June 2024 and entered into amongst the Vendor, Purchaser and the Agent in relation to the Disposal;
“Purchaser”	Ms. Dai Yonghong, an individual who is an Independent Third Party;
“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;
“Vendor”	Century Legend Management Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“sq. ft.”	square feet.

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

Hong Kong, 18 June 2024

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.