

My Letter to Shareholders



TO THE SHAREHOLDERS OF CENTURY LEGEND (HOLDINGS) LIMITED

Throughout the year 2004, we witnessed a remarkable economic development in Hong Kong and Macau. Strategic measures undertaken by the Mainland Chinese government significantly boosted the number of Mainland China tourists visiting both territories. Interest rates and inflation in Hong Kong and Macau remained low, bolstering consumer confidence and spending.

While the economic climate remained broadly favorable during the period, earnings potential of the Group has not been fully reflected, as the Group's investments were still at her early stage. On the other hand, driven by the Group's effective cost control measures and solid contributions from her new investments, the Group's loss after taxation reduced significantly from HK\$6.2 million in 2003 to HK\$256,000 in 2004.

In addition to reducing the loss significantly, the Group has also made progress in implementing her long term plans to expand her investments in the key sector of the Macau economy in which the management has particular skills and experiences.

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REVIEW BACKWARDS

Travel and Gaming-Related Businesses

Liberalization of the Macau gaming industry encourages greater investment flows in the travel and gaming-related sector. The launch of various world-class entertainment centers and their ancillary facilities will gradually turn Macau into a one of the most sought-after travel destinations. Buoyed by the promising market environment, the Group's investment in the two gaming intermediaries in Macau – Diamond Hall and Diamond Entertainment Hall, contributed investment return of HK\$5.5 million to the Group for the year 2004, representing approximately 16% return on investment. On 11 January 2005, the Group and China Sky Investments Ltd, the substantial shareholder of the Company, entered into an agreement to form two limited companies in Macau. The two companies are formed to apply for the gaming intermediary licenses, which will be required under the Gaming Intermediaries Regulation of Macau for carrying out gaming intermediary operation within Macau in the future. The said application was submitted to the Macau government and it is still under processing.



In order to enhance the Group's existing strength in the travel and gaming related business and to broaden the Group's array of business in the sector, the Group acquired approximately 2.8% beneficial interest in the gaming intermediary business on board Omar III cruiser in September 2004. The investment has made good progress, and the management is particularly pleased to announce that positive contributions were already recorded within the first three months after the acquisition.

6

In October 2004, Hong Kong Macau Marketing Limited ("HKMML"), a wholly owned subsidiary, was formed in Macau to provide marketing and public relation services to the Group's gaming intermediary activities. Moreover HKMML would become the main platform of the Group to seek further opportunities to increase her exposure in the gaming intermediary cooperator business.

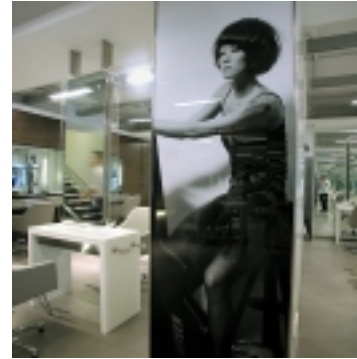
Besides the business operation in Macau, the Group has also made efforts to gain further development in the region to create new and value-added services to her valuable customers. The Group invested approximately 11% equity interest in Diamond (Subic) Entertainment Limited which owns Subic Diamond Entertainment Corporation ("SDEC"). SDEC is a limited company incorporated in Philippines and is principally engaged in conducting gaming intermediary activity for Subic Diamond Casino situated in the Subic Bay Freeport Zone, Philippines. SDEC also gets herself involved in the management and daily operation of the casino. Soft opening of the casino recently took place in March 2005 and the grand opening is scheduled in May 2005. This investment is expected to generate synergies with the Group's existing business and marks a strategic move of the Group by extending her gaming businesses beyond Macau into the South East Asia region. Furthermore it also helps the Group to build and retain stronger relationships with overseas network, paving way for our future expansion.



Other Business Segments

The Group's businesses in the health and beauty services sector are dedicated to offer comprehensive hair care, beauty, health services as well as related products to the vogue crowd.

Our premium salon, Headquarters, is one of the most influential and leading salons in town. Her dedicated team of stylists has gained increasingly popularity among the young and stylish generation. Headquarters' flagship store, which was opened last year, has won the prize in the commercial category of the 2004 Asia Pacific Interior Design Awards. Capitalizing the talent of the stylists, the unique design of the store as well as her attention-grabbing location, the leading position of Headquarters is further reinforced and recognized.



With the aggressive promotion strategy and brand building campaign, Spa D'or has doubled her turnover in 2004. Moreover Spa D'or has been continuously improving her cash flow position while broadening and consolidating her client base at the same time. In order to assure Spa D'or can retain her strong positioning within the beauty industry, the Group is actively looking for suitable location in town for future expansion.

The Group launched her first retail counter for nail service, Nailquarters, at Beaute @ Sogo, Causeway Bay in April 2005. The management is delighted with the positive response from most of the customers. The investment in Nailquarters should also create synergies to the Group's existing health and beauty business.

Although the Group's health and beauty services division has made a lot of positive movements in last year, the division experienced loss and eroded the profitability of the Group's other businesses in 2004. In order to improve the situation and avoid the same scenario in the future, merger and acquisition and/or restructuring of the division may be needed. However no definite plan is yet to be confirmed at the moment.

LOOKING FORWARD

Supported by the measures undertaken by the Mainland Chinese government, both Hong Kong and Macau are expected to benefit from the significantly expanded tourist crowd through the "Individual Traveling Scheme". Capitalizing on the buoyant tourist industry, both Hong Kong and Macau have made continuous efforts to upgrade and further develop different tourist attractions such as the Disneyland in Hong Kong and the Fisherman's Wharf in Macau to meet with the surging demand. The inflow of tourists should continue to escalate and as a result, help delivering strong and positive business growth momentum to the Group.

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As Asian countries recognize the unbelievable growth prospects of the travel and gaming businesses, Macau, with her long-established history and expertise in the gaming industries, will have particular advantages in becoming the market leader in the region. The enormous capital investments from the major casino concessionaires and their alliances in Macau will continuously contribute to Macau's prosperity. As a result, the Group is confident that the gaming intermediary business as well as the gaming intermediary cooperator business could gain sufficient momentum and achieve strong performances in the coming years. The strategy of the Group is again, to develop and focus in business that the management has the required knowledge and is capable to operate well to improve the returns. Maximizing shareholder's value is the management's ultimate objective and it always will be. The Board of Directors will continue to explore investment opportunities and in particular, with business which has synergy to the Group's existing businesses as well as her client base. This will ensure that the most favorable returns can be generated to her shareholders.



On 11 April 2005, trading in the shares of the Company had been suspended pending on the release of an announcement in relation to a very substantial acquisition transaction (Please refer to further announcement to be made by the Company on the above-mentioned transaction for details). This transaction should be and will be very meaningful to the Group. The transaction will have a definite impact on the overall businesses of the "entire" Group.

8

For and on behalf of all the Directors, I thank all my colleagues within the Group for their hard work last year and hope that all of us can keep up the good work as well as the morale in the coming years.

I personally would like to take this opportunity to express my sincere thanks and appreciation for all the support from Mr. C.K. Lee.

With my deepest and warmest regards

TSANG Chiu Mo Samuel

Executive Chairman

Hong Kong, 16 April 2005