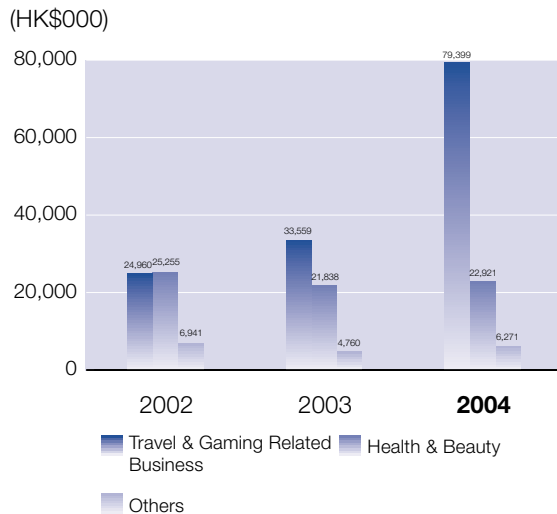
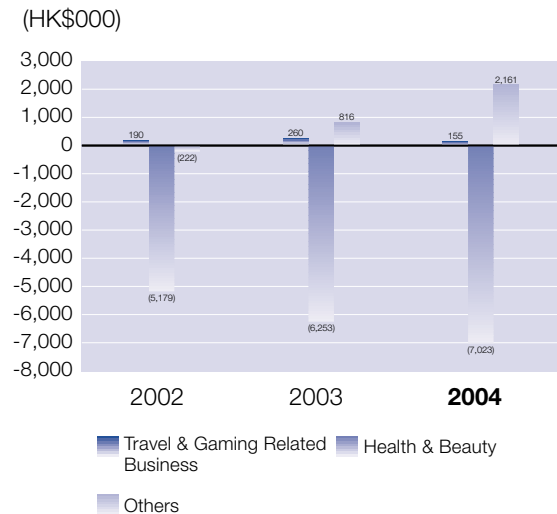


OPERATION REVIEW

Segment Turnover



Segment Result



Century Legend (Holdings) Limited (the “Company”) and its subsidiaries (collectively the “Group”) are principally engaged in the provision of travel agency services and gaming related business in Macau. In 2004, the economic rebound in Hong Kong encouraged consumer spending. There was a remarkable progress in the travel, entertainment, retail and gaming-related industries.

Travel and Gaming Related Business

Benefited from measures taken by the Chinese authorities to allow increased number of individual tourists visiting Hong Kong and Macau, the Group achieved a significant growth in revenue generated from the provision of travel and agency services. Total turnover for the travel sector recorded a 137% surge to HK\$79 million. Due to the keen competition in the market and the slim gross profit margin, the segment recorded a profit of HK\$155,000 compared to that of HK\$260,000 in 2003. The Group is confident that the flourishing economy in Macau and China individual visit scheme will continue to be a driving force to the Group’s travel and gaming related businesses.

Health and Beauty Businesses

The Group’s businesses in the health and beauty sector continued to achieve stable performances. The segment turnover was approximately HK\$23 million representing an increase of 5% from last year. The loss of the sector was HK\$7 million, reflecting an increase of 12% from last year. Although the profitability was temporarily undermined by the capital investment in the new salon and the higher overheads, Headquarters has attained a visible increase in turnover for the year, and has proved to be very successful in building brand and customers’ loyalty with an uncompromising standards of service and product excellence.

Management Discussion and Analysis

Despite the minimal improvement in loss for Spa D'or during the year, it has sustained a healthy cash flow and enhanced brand awareness. In fact, Spa D'or recorded noticeable growth in terms of membership numbers and its success rate in selling beauty packages for the year. Cash generated from the sale of beauty packages is almost three fold of last year.

The management is aiming at developing a "service-driven and product-oriented" business.

Other Business Segments

Loan interest income and net profit of money lending segment for the year was approximately HK\$4.5 million and HK\$4 million respectively, representing an increase of 59% and 58% from last year as a result of surplus fund of the Group being fully utilized to generate higher interest income.

Although the turnover of stock broking doubled to HK\$751,000 in year 2004, the segment loss was reduced 13% as compared with last year.

The turnover of trading segment further reduced to HK\$1 million in year 2004 as to HK\$1.6 million in 2003. Segment loss for the year was HK\$548,000 compared to loss of HK\$232,000 in 2003 as a result of the business segment down sizing.

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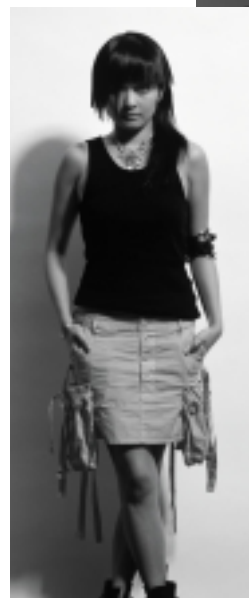
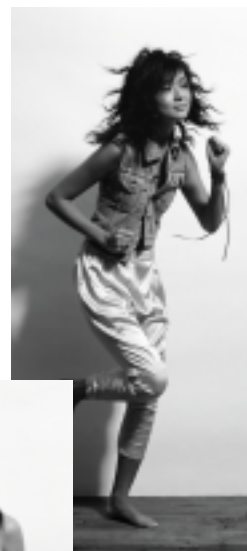
FINANCIAL REVIEW

Financial Performance

The Group's consolidated turnover for the year was HK\$109 million, and increase of 81% from that of last year. The net profit of the Group attributable to shareholders was approximately HK\$2.5 million for the year compared to that of a net loss of HK\$5.4 million in last year. It was mainly attributable to a share of profits of associates of HK\$7.4 million in 2004. Excluding the share of profits of associates and gain on disposal of a subsidiary, the Group's net loss was about HK\$4.9 million reduced by 67% as compared to that of year 2003. This could be attributed to the contribution from Group's investment in gaming intermediaries.

The other revenues was increased by 294% to HK\$10 million mainly as a result of increase in investment return from gaming intermediaries, management fee income and profit on disposals of listed securities.

As at 31 December 2004, the Group's net asset value was HK\$68 million and had a net asset value per share of HK\$0.03. The Group's total assets and liabilities were HK\$141 million and HK\$73 million respectively.



Liquidity and Financial Resources

For the year ended 31 December 2004, the Group financed its operations and investing activities by its internal resources as well as from the issue of convertible notes of HK\$45 million in January 2004. The Group generated net cash flows from operating activities of approximately HK\$8 million (2003: net cash outflows HK\$16.1 million). As at 31 December 2004, cash and cash equivalents of the Group amounted to approximately HK\$47 million (31 December 2003: HK\$44 million).



The Group had net current assets of approximately HK\$51 million (2003: HK\$49 million). The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2004 was approximately 2.7 (2003: 1.9). The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 31 December 2004 was 0.6 (2003: zero).

The sales and purchases of the Group are mainly denominated in U.S. dollars or Hong Kong dollars with exchange rate relatively stable during the year under review, the Directors considered that the Group's exposure to fluctuations in exchange rates was minimal.

The Group had no assets pledged during the year under review. As at 31 December 2004, neither the Company nor the Group had any significant contingent liabilities or capital commitments (2003: Nil).

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Capital Structure

During the year under review, a wholly-owned subsidiary of the Company issued convertible notes of aggregate principal amount HK\$45 million with maturity date on 14 January 2007. The convertible notes can be converted into ordinary shares of the Company at a conversion price of HK\$0.3 per share (subject to adjustments from time to time in accordance with the provisions set out in the subscription agreement) during the period from 15 January 2005 to 14 January 2007. During the year, a convertible note of HK\$3 million had been redeemed before maturity by mutual agreement between the Company and the noteholder.

The balance of the convertible note of HK\$42 million were fully converted into 139,999,994 ordinary shares of the Company at a conversion price of HK\$0.3 per share in January 2005.



Management Discussion and Analysis

Material Acquisitions and Disposals

In February 2004 the Group further acquired 10% interest in gaming intermediaries in Macau for an aggregate cash consideration of HK\$23.4 million after the Group acquired 5% interest in the same gaming intermediaries in November 2003.

In September 2004, the Group acquired approximately 2.8% business interest in a gaming intermediary business on board Omar III cruiser for a consideration of HK\$15 million.

On 11 April 2005, trading in the shares of the Company had been suspended pending the release of an announcement in relation to a very substantial acquisition transaction. Details please refer to further announcement to be made by the Company on the above-mentioned transaction.



Employment Information

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As at 31 December 2004, the Group employed approximately a total of 129 employees (2003:105). 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 2004, the total staff costs (excluding Directors' emoluments) amounted to approximately HK\$14.5 million (2003: HK\$14.2 million).