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CENTENARY UNITED HOLDINGS LIMITED

世紀聯合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1959)

VOLUNTARY ANNOUNCEMENT UPDATE ON DEVELOPMENT STRATEGY OF “ENTERING THE GREATER BAY AREA AND EMBRACING THE NEW ENERGY”

This announcement is made by Centenary United Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the development strategy of the Group.

Reference is made to: (i) the prospectus of the Company dated 30 September 2019 (the “**Prospectus**”); (ii) the announcement of the Company dated 24 December 2021 in relation to update to expected timetable for use of proceeds and change in use of proceeds; and (iii) the supplemental announcement of the Company dated 21 January 2022 in relation to update to expected timetable for use of proceeds and change in use of proceeds (the “**Supplemental Announcement**”). The Company’s development strategy is referred to in the section headed “Business — Strategy” in the Prospectus of the Group, containing: (1) Expansion of the motor vehicle sales and service network through organic growth or selective acquisition; (2) Expansion of other integrated auto services; (3) Big data analysis and online marketing. Since its listing in October 2019, the Group has adhered to the established business development strategy and taken a series of measures to promote business development, such as opening three 4S dealership stores and operating three used-vehicle marketplaces, putting into use of new offices for its professional insurance agency, and setting up of its information systems.

The Group has also been keeping an eye on the development potential of the new-energy vehicle (NEV) market. According to the Development Plan for the New-Energy Vehicle Industry (2021–2035) released by the State Council of China in October 2020, sales volume of new NEVs will account for around 20% of the total sales volume of new vehicles by 2025. By 2035, pure electric vehicles will become the mainstream in the sales of new vehicles. Data from the China Association of Automobile Manufacturers showed that sales volume of NEVs accounted for 13.4% of the total sales volume of vehicles in China in 2021, which shows the huge development potential of new-energy vehicles in the future. Under the dual goals of “carbon peak and carbon neutrality” and national policies for the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Board of Directors of the Company (the “**Board**”) believes that the Company is well positioned to replicate the successful experience accumulated over a long period of time in Zhongshan to other cities in the Greater Bay Area that have similarities in market, culture and consumption habits.

Tapping into electric vehicle sales and aftermarket services conforms to national development policies and promotes the fulfillment of corporate social responsibilities. These two business lines provide new growth points for corporate development. After careful study and discussions, and considering the current market and industry development trends, the Group plans to take the electric vehicle business as one of the key development strategies in the future. Specifically: First, actively striving for the dealerships and agencies of competitive electric vehicle brands; Second, expanding the construction and operation of electric vehicle charging network in the Greater Bay Area; Third, paying close attention to the business of Hong Kong private cars travelling northbound to the Mainland; Fourth, using the unique one-stop after-sales maintenance service, insurance sales agency, used-vehicle business and other value-added services in electric vehicle aftermarket services which the Group can get reach of; Fifth, developing online ride-hailing business (“**Online Ride-hailing Business**”) and other related businesses.

As at the date of this announcement, the businesses that the Group has developed and planned to develop based on the above strategies are as follows:

Electric Vehicle Brand Dealership Business

This year, the Group acquired the right to sell vehicles of seven electric vehicle brands, namely Aion New Energy, Leapmotor, Volkswagen ID, Ora, Dongfeng New Energy, EVHouse and SOL. The sales territories have covered/will cover Zhongshan, Jiangmen and other cities in the Greater Bay Area. Details are as follows:

GAC Aion New Energy Automobile Co., Ltd. (“**Aion New Energy**”) granted in April 2021 Zhongshan Aion Automobile Sales Services Co., Ltd. (“**Zhongshan Shian**”, formerly known as Zhongshan Shian New Energy Technology Co., Ltd.), an indirect wholly-owned subsidiary of the Group, the right to deal in its **Aion New Energy** vehicles. The authorised dealership outlet, located at No. 361, North Changjiang Road, Eastern District, Zhongshan City, Guangdong Province, is situated in a mature automobile 4S store business district in downtown Zhongshan. It commenced operations in May 2021.

In November 2021, Zhejiang Leapmotor Automobile Sales and Services Co., Ltd. (“**Zhejiang Leapmotor**”) agreed with Zhongshan Chuangling New Energy Automobile Co., Ltd. (“**Zhongshan Chuangling**”), an indirect wholly-owned subsidiary of the Group, on the opening of **Leapmotor** electric vehicle stores in large shopping centres. Zhongshan Chuangling established a **Leapmotor** store at Dasin Xinghui Metro Mall in Southern District, Zhongshan, Guangdong Province, which is a mature business district. The store commenced operations in January 2022.

In September 2021, FAW-Volkswagen Sales Co., Ltd. (“**FAW-VW**”) authorised Zhongshan New Century Automobile Sales and Services Co., Ltd. (“**Zhongshan New Century**”), an indirect wholly-owned subsidiary of the Group, to become an agent of **Volkswagen ID**. The authorised store, located at No. 40 Caihong Avenue, Western District, Zhongshan, Guangdong Province, is situated in the oldest and most mature automobile 4S store business district in the city. It launched sales business in September 2021. In addition, the Group opened the second **Volkswagen ID** sales outlet at Lihe Plaza, a large high-end shopping centre in downtown Zhongshan. The outlet commenced operations in January 2022 and is expected to bring additional sales growth to the brand.

In November 2021, Dongchuang Zilian (Wuhan) New Energy Technology Co., Ltd. (“**Dongchuang Zilian New Energy**”) authorised Jiangmen Branch of Zhongshan Shijie Automobile Co., Ltd. (“**Shijie Jiangmen**”), an indirect wholly-owned subsidiary of the Group, to become an agent of **Dongfeng New Energy**. Shijie Jiangmen is planning to open a **Dongfeng New Energy** store at Wanda Plaza in Pengjiang District, Jiangmen, a large shopping centre in the city. The store is located in a mature business district and is expected to commence operations in the first quarter of 2022.

In September 2021, Chongqing Xiaodian Tianti New Energy Automobile Co., Ltd. (“**Xiaodian Tianti**”) agreed with Zhongshan New Century on the opening of EVHouse stores in Guangzhou, Foshan, Zhongshan, Jiangmen, Shaoguan and western regions in Guangdong Province including Qingyuan. Its EVHouse store at Holiday Plaza, a mature large shopping centre in Zhongshan, was officially put into operation in December 2021. Zhongshan New Century obtained the right to sell vehicles within the above-mentioned areas of Guangdong Province. Zhongshan New Century intends to open stores or recruit dealers to diversify the operation of its electric vehicle sales business and its revenue sources, which will be conducive to the rapid development of the Company’s electric vehicle business in the Greater Bay Area.

In January 2022, Chongqing Haval Automobile Co., Ltd. (“**Haval Automobile**”) granted Zhongshan Longmao New Energy Automobile Co., Ltd. (“**Zhongshan Longmao**”), an indirect wholly-owned subsidiary of the Group, the right to deal in its **Ora** electric vehicles. The authorised dealership, located on the west of Jucheng Avenue, Yongning, Xiaolan Town, Zhongshan, is situated in a mature 4S store business district in northern Zhongshan. The store commenced operations in January 2022.

In December 2021, New Energy Passenger Vehicle Branch of Anhui Jianghuai Automobile Group Corp., Ltd. (“**JAC**”) authorised Eastern District Branch of Zhongshan Shijie Automobile Co., Ltd. (“**Shijie Eastern District**”), an indirect wholly-owned subsidiary of the Group, to become an agent of **SOL**. Shijie Eastern District is planning to open a **SOL** store at No. 361, North Changjiang Road, Eastern District, Zhongshan, which is situated in a mature automobile 4S store business district in downtown Zhongshan. It is expected to commence operations in the second quarter of 2022.

The Group will continue expanding its electric vehicle sales and service network in Guangdong Province, especially in the Greater Bay Area. The Company aims to further increase the proportion of sales volume of electric vehicles to the total sales in 2022.

Charging Network Business

This year, the Group cooperated with Guangzhou Wancheng Wanchong New Energy Technology Co., Ltd. (“**Guangzhou Wancheng Wanchong**”) and Guangzhou TELD New Energy Co., Ltd. (“**Guangzhou TELD**”), respectively. Guangzhou TELD is a wholly-owned subsidiary of TELD New Energy Co., Ltd. (“**TELD**”), a subsidiary of Qingdao TGOOD Electric Co., Ltd. (“**TGOOD**”) (SZSE GEM stock code: 300001). The above cooperation will facilitate the construction of the Group’s electric vehicle charging network in the Greater Bay Area. As at 31 December 2021, Guangdong Centenary United New Energy Technology Co., Ltd. (“**Centenary United New Energy**”), a wholly-owned subsidiary of the Group, built 21 charging stations with a total of 121 charging posts in Zhongshan, Zhuhai, Foshan, Guangzhou, Dongguan and other cities in the Area. There are 16 charging stations with 171 charging posts under construction. In addition, it currently plans to build around 60 charging stations with around 600 charging posts in 2022, which will help promote the all-round development of the Group’s electric vehicle brand dealership business and Online Ride-hailing Business.

Online Ride-hailing Service with Electric Vehicles

With the growing social demand and in-depth development of Internet technology, there is an increasing acceptance of Online Ride-hailing service among people, which will have great potential. Following the trend of Online Ride-hailing Business, the Group directly purchased a batch of electric vehicles of suitable models for use in online ride-hailing service or leased a batch of electric vehicles of suitable models, for which it sourced drivers and connected them with mobility platforms. It conducted the operation and management of online ride-hailing service with integrated businesses covering the management of vehicles, drivers and platforms.

As referred to in the discloseable announcement of the Company dated 13 December 2021, Guangdong Centenary United New Energy Technology Co., Ltd. (“**Centenary United New Energy**”), an indirect wholly-owned subsidiary of the Group, purchased a total of not more than 400 GAC Aion electric vehicles for drivers it recruited to offer ride-hailing service via Ruqi Mobility at a total consideration of RMB46,620,000 (equivalent to approximately HK\$55,944,000). The main revenue of the business is rental and management fees from participating in operation and administration.

Used Vehicles

Stimulated by national favourable policies, the used-vehicle market will become a new growth engine for the automobile industry in the Greater Bay Area. The Group unleashed the long-accumulated potential in one-stop services for used vehicles to the used-vehicle business of trade-ins of gasoline-powered cars for electric vehicles. For instance, the Group became an agent of electric vehicle brands and a dealer of other emerging automakers, aiming to provide a broader platform for future development of its after-sales business and increased business profitability.

Zhongshan New Century Second-hand Car Market Co., Ltd. (“**New Century Second-hand Car**”), the Group’s indirect wholly-owned subsidiary, entered into a cooperation framework agreement on used-vehicle trade-in service with Beijing Leading Automobile Sales Co., Ltd. (“**Leading Automobile**”), an indirect wholly-owned subsidiary of Li Auto Inc. (Nasdaq: LI, HKEX: 2015) (“**Li Auto**”), on 21 April 2021 to provide used-vehicle acquisition service for Li Auto’s customers.

The above-mentioned businesses regarding electric vehicles can promote each other and generate virtuous cycle. The network of charging stations stimulate the sales of electric vehicles, and the increasing sales of electric vehicles also drives the high demand for charging stations. The sales volume of electric vehicles provides an entry point for trade-in of used vehicles. Vehicles rented out for certain years can be sold quickly as used vehicles. The quality used vehicles purchased can also be used for car rental to reduce costs. The Group strives to maximise the synergy effect of various electric vehicle-related businesses in order to achieve ideal benefits.

HONG KONG PRIVATE CARS TRAVELLING TO THE MAINLAND

The Government of the Hong Kong Special Administrative Region (“**HKSAR Government**”) delivered the 2020 Policy Address in November 2020, mentioning that it will press ahead with the “Quota-free scheme for Hong Kong private cars travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge (HZMB)”, which will allow eligible Hong Kong private cars to travel between Hong Kong and Guangdong via the HZMB without quota. In March 2021, the HKSAR Government announced the Hong Kong Roadmap on Popularisation of Electric Vehicles* (香港電動車普及化路線圖) to vigorously promote the adoption of electric vehicles. This Roadmap includes “charging network” as one of the six aspects from which it will take actions and mentions that the HKSAR Government will explore and expand how to provide charging support for Hong Kong vehicles in the Mainland when it implements the “scheme for Hong Kong private cars travelling northbound to the Mainland”. As the HKSAR Government takes strict and decisive measures against the pandemic, it is expected that exchanges between Mainland China and Hong Kong will gradually return to normal once the pandemic eases. The Group is closely monitoring the development and implementation of the above policies, and will seek partners from Hong Kong to cooperate when necessary.

The Board believes that the business strategy of “Entering the Greater Bay Area and Embracing the New Energy” is the focus of development in the foreseeable future. The Group has always been based in Zhongshan and has been replicating the above electric vehicle-related businesses to other cities in the Greater Bay Area in an orderly manner. The target cities in the first phase are mainly Zhuhai, Foshan and Jiangmen. The Group has recognised an active presence surrounding the electric vehicle business as its key development strategy in the future. It closely follows the national policies, actively seeks new partners and grasps the opportunities, hoping to seize the market share in the electric vehicle-related fields as soon as possible, in order to create higher value for the shareholders of the Company.

As stated in the Supplemental Announcement of the Company, the scale of the current businesses of the Group stated in the Prospectus, i.e. sales of vehicles and provision of other integrated auto services, will not be reduced due to the development of the Group’s electric vehicle business.

The Board hereby declares that no forecast or estimate has been made on the Group’s profit in relation to all the authorised dealerships and entering into agreements.

To the best of the knowledge, information and belief of the Directors of the Company, having made all reasonable enquiries, each of Aion New Energy, Zhejiang Leapmotor, FAW-VW, Dongchuan Zilian New Energy, Xiaodian Tianti, Haval Automobile, JAC, Guangzhou Wancheng Wanchong, Guangzhou TELD, TELD, TGOOD, Li Auto, Leading Automobile and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this announcement and any of the matters set out herein are attainable, will actually occur or will be realised or are complete or accurate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company, and should not place undue reliance on the information disclosed in this announcement. Any shareholder of the Company or potential investor who is in doubt is advised to seek advice from professional advisors.

By order of the Board
Centenary United Holdings Limited
Law Hau Kit

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 25 January 2022

As at the date of this announcement, the executive Directors are Mr. Law Hau Kit, Mr. Chen Shaoxing and Ms. Li Hui Fang; the non-executive Director is Mr. Woo King Hang; and the independent non-executive Directors are Mr. Li Wai Keung, Mr. Hui Chun Tak and Ms. Yan Fei.

* *for identification purpose only*