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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)

UPDATE TO EXPECTED TIMETABLE FOR USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

Reference is made to: (i) the prospectus of Centenary United Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 September 2019 (the “**Prospectus**”); and (ii) the interim report of the Company for the six months ended 30 June 2021 (the “**Interim Report 2021**”) published on 19 September 2021, which discloses the use of the net proceeds from the share offering from the Listing to 30 June 2021. Unless otherwise defined, capitalised terms used in this announcement shall bear the same meanings as those defined in the Prospectus and the Interim Report 2021.

USE OF PROCEEDS FROM LISTING

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited through global offering since 18 October 2019. The net proceeds from the Listing, after deducting the Listing expenses of approximately HK\$29.8 million, amounted to approximately HK\$105.2 million, which is slightly lower than the estimated net proceeds of approximately HK\$107.5 million as disclosed in the Prospectus. The difference of approximately HK\$2.3 million has been adjusted in the same manner and in the same proportion to the use of proceeds as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The Company intended to use the net proceeds for the following purposes:

- approximately HK\$32.7 million (or approximately 31.1% of the proceeds) will be used for financing the expenditures required in connection with the organic growth in the motor vehicle sales and service network via the opening of new outlets in Zhongshan;
- approximately HK\$26.8 million (or approximately 25.5% of the proceeds) will be used for financing the network expansion through the selective acquisition of other automobile dealership outlets if suitable opportunities arise;
- approximately HK\$29.6 million (or approximately 28.1% of the proceeds) will be used for financing the expansion of other integrated auto services;
- approximately HK\$10.7 million (or approximately 10.2% of the proceeds) will be used for optimising and upgrading information technology systems to facilitate big data analysis and the integration of online and offline customer services; and
- approximately HK\$5.4 million (or approximately 5.1% of the proceeds) will be used for general working capital purpose.

As at the date of this announcement, the Company has utilised approximately HK\$46.0 million of the net proceeds, accounting for approximately 43.7% of the net proceeds.

UPDATE TO EXPECTED TIMETABLE FOR USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

The amount of net proceeds which remains unutilised as at the date of this announcement amounts to approximately HK\$59.2 million (the “**Unutilised Net Proceeds**”), of which (i) approximately HK\$26.8 million is intended to be used for selective acquisition; (ii) approximately HK\$24.4 million for expansion of other integrated auto services; and (iii) HK\$8.0 million for big data analysis and online marketing. Having regard to the current needs of the Group and prevailing market conditions, the Board resolved to extend the expected timetable for the use of the Unutilised Net Proceeds from on or before 31 December 2021 to on or before 31 December 2022 or before, and change the use of the Unutilised Net Proceeds for the development of new energy vehicle (“**NEV**”)-related business, including opening NEV outlets, expanding the network of charging stations and expanding online ride-hailing services. The utilisation of the net proceeds as at the date of this announcement and the proposed change of use of the Unutilised Net Proceeds are set out below:

Use of proceeds	Intended use of proceeds as disclosed in the Prospectus (adjusted) <i>HK\$ million</i>	Remaining net proceeds as at 30 June 2021 <i>HK\$ million</i>	Proceeds	Unutilised amount as at the date of this announcement <i>HK\$ million</i>	Unutilised Net Proceeds after revised allocation <i>HK\$ million</i>	Expected timetable for utilisation of Unutilised Net Proceeds
			utilised during the period from 1 July 2021 up to the date of this announcement <i>HK\$ million</i>			
Organic growth of the Group’s network expansion	32.7	—	—	—	—	N/A
Selective acquisition	26.8	26.8	—	26.8	—	N/A
Expansion of the Group’s other integrated auto services	29.6	26.3	1.9	24.4	—	N/A
Big data analysis and online marketing	10.7	9.1	1.1	8.0	—	N/A
General working capital	5.4	—	—	—	—	N/A
— Opening of NEV outlets in the Greater Bay Area	—	—	—	—	28.2	On or before 31 December 2022
— Further expansion of the network of charging stations in major cities in the Greater Bay Area	—	—	—	—	8.0	On or before 31 December 2022
— Acceleration of the launch of online ride-hailing services in the region	—	—	—	—	23	On or before 31 December 2022
Total	105.2	62.2	3.0	59.2	59.2	

As at the date of this announcement, the Group plans to use approximately HK\$59.2 million of the Unutilised Net Proceeds for the development of NEV-related business, of which (i) approximately HK\$28.2 million will be used for opening of NEV outlets in the Greater Bay Area; (ii) approximately HK\$8.0 million for further expansion of the network of charging stations in major cities in the Greater Bay Area; and (iii) approximately HK\$23.0 million for acceleration of the launch of online ride-hailing services in the region. The Unutilised Net Proceeds are expected to be utilised on or before 31 December 2022.

REASONS FOR AND BENEFITS OF UPDATING EXPECTED TIMETABLE FOR USE OF PROCEEDS AND CHANGING USE OF PROCEEDS

The Board is of the view that although the Group has been searching for suitable acquisition targets in China, it has taken a prudent approach in looking for suitable automobile dealership outlets due to the COVID-19 pandemic and the slow global economic recovery. However, as at the date of the announcement, the Group has not yet been able to find automobile dealership outlets worth acquiring or investing in. In addition, due to the effect brought by the pandemic and economic downturn, the Group adopted a prudent development approach in expanding automobile dealership outlets within two years since its Listing. According to a 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 vehicle is likely to become the mainstream in the sales of new vehicles. This shows the huge development potential of NEVs. Moreover, with the support of the “carbon peak, carbon neutrality” — “dual carbon” strategy and the favourable policies for NEVs such as HKSAR Government’s scheme for Hong Kong private cars travelling to the Mainland and the Hong Kong Roadmap on Popularisation of Electric Vehicles, the market environment of NEVs will be further optimised, which will benefit automobile manufacturers and dealers promoting the all-round development of NEVs. Meanwhile, the NEV industry chain covers multiple areas, such as chip manufacturing, artificial intelligence technology, charging services and aftermarket services. There will be derivative effects among the industries, which play a significant role in driving the national economy. Looking forward to the future, the NEV industry will face unprecedented development opportunities and is expected to become one of the largest consumer industries in China. Therefore, the Group plans to devote resources to the development of NEV-related business to keep abreast of the country’s development and market dynamics, so as to quickly capture the market opportunities brought by the NEV industry, including but not limited to the opportunities arising from ride-hailing services using NEVs and charging network, and seize the relevant market share. In view of this, the Board resolved to extend the initial expected timetable for the use of the Unutilised Net Proceeds from on or before 31 December 2021 to on or before 31 December 2022, and to use approximately HK\$59.2 million of the Unutilised Net Proceeds for the development of the aforementioned NEV-related business. The Board believes that the use of the Unutilised Net Proceeds for the development of NEV-related

business is consistent with the Group's overall NEV development strategy and will promote the long-term development of its overall businesses. Extension of the expected timeline for the use of the Unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the development of global market conditions.

The Board confirms that save as disclosed in this announcement, there are no other changes in the use of the net proceeds.

The Board is of the opinion that the reallocation of approximately HK\$59.2 million of the Unutilised Net Proceeds to the development of NEV-related business is more conducive to the long-term business development of the Group and the better utilisation of the Unutilised Net Proceeds. The Board confirms that there is no change in the nature of the Group's businesses as set out in the Prospectus and considers that the proposed change in the use of the Unutilised Net Proceeds will not have any material adverse impact on the Group's operations and is in the best interest of the Company and its shareholders as a whole.

Further announcements will be made in due course if there are any material developments in the use of the proceeds within the above time frame or if further adjustments are required to the use of the net proceeds.

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

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 24 December 2021

As at the date of this announcement, the executive Directors are Mr. Law Hau Kit, Mr. Chen Shaoxing and Ms. Li Huifang; 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.