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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF RIGHT-OF-USE ASSETS LEASE OF CHANGAN EADO NEW-ENERGY VEHICLES

The Board is pleased to announce that the Lessee entered into the First Lease and the Latest Lease with the Lessor in respect of Changan Eado New-energy Vehicles for a term of 36 months, commencing from the day after the actual delivery of the vehicles leased to the Lessee, on 13 December 2021 and 2 March 2022, respectively, for the Group to lease out to drivers of the T3 Mobility platform as ride-hailing vehicles.

As the Lessee entered into the Leases with the Lessor in respect of the leasing of a total of 360 Changan Eado New-energy Vehicles on 13 December 2021 and 2 March 2022, all transactions under the Leases were conducted within 12 months and shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

Under IFRS 16 Leases, the Leases will be recognised as right-of-use assets for an amount of approximately RMB35,850,000, which is calculated by reference to the present value of the aggregate lease payments to be made under the Leases.

As one or more of the applicable percentage ratios of the aggregated transactions under the Group's Leases are more than 5% but less than 25%, the transactions under the Leases together constitute a discloseable transaction and are subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

LEASE OF CHANGAN EADO NEW-ENERGY VEHICLES

The Board is pleased to announce that the Lessee (an indirect wholly-owned subsidiary of the Company) entered into the First Lease and the Latest Lease with the Lessor in respect of Changan Eado New-energy Vehicles for a term of 36 months, commencing from the day after the actual delivery of the vehicles leased to the Lessee, on 13 December 2021 and 2 March 2022, respectively, for the Group to lease out to drivers of the T3 Mobility platform as ride-hailing vehicles.

LEASES

Date of the Leases	Parties	Leased vehicles and total rental consideration	Lease term	Security deposit
<i>Latest Lease</i>				
1. 2 March 2022	Lessee and Lessor	280 Changan Eado New-energy Vehicles, with a total rental consideration of RMB33,868,800 (equivalent to approximately HK\$40,642,560) during the lease term.	36 months, commencing from the day after the actual delivery of the vehicles leased to the Lessee	RMB10,000 per vehicle, totalling RMB2,800,000
<i>First Lease</i>				
2. 13 December 2021	Lessee and Lessor	80 Changan Eado New-energy Vehicles, with a total rental consideration of RMB9,676,800 (equivalent to approximately HK\$11,612,160) during the lease term.	36 months, commencing from the day after the actual delivery of the vehicles leased to the Lessee	RMB10,000 per vehicle, totalling RMB800,000

RIGHT-OF-USE ASSETS

Under IFRS 16 Leases, the Leases will be recognised as right-of-use assets for an amount of approximately RMB35,850,000 (equivalent to approximately HK\$43,020,000), which is calculated by reference to the present value of the aggregate lease payments to be made under the Leases.

TOTAL RENTAL CONSIDERATION PAYABLE AND PAYMENT TERMS

The total rental consideration payable by the Group under the Leases is RMB43,545,600 (i.e. the monthly rent of each Changan Eado New-energy Vehicle is RMB3,360), which is determined by both parties after an arm's length negotiation with reference to the market rental value of the 360 Changan Eado New-energy Vehicles.

As at the date of this announcement, after taking delivery of the 80 Changan Eado New-energy Vehicles under the First Lease, the Lessee has fully paid the security deposit for the 80 Changan Eado New-energy Vehicles and will pay the rent on a monthly basis to the Lessor in time.

Regarding the 280 Changan Eado New-energy Vehicles under the Latest Lease, after entering into the Latest Lease, the Lessee will take delivery of the 280 Changan Eado New-energy Vehicles under the Latest Lease in batches pursuant to the terms of the Latest Lease and will pay the security deposit and rent for the relevant batch of Changan Eado New-energy Vehicles pursuant to the terms of the Latest Lease.

The Group will pay the monthly rent and security deposits under the Leases by internal cash.

INFORMATION ABOUT THE LESSOR

The Lessor is a branch of Shanghai Jiaxing Automobile Service Co., Ltd. that is principally engaged in the business of car leasing, the provision of paid vehicle assistance services, sales of automobiles and auto parts, etc. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the shares of Shanghai Jiaxing Automobile Service Co., Ltd. are indirectly owned as to 80% by Nanjing Linghang Equity Investment Partnership (Limited Partnership)* (南京領行股權投資合夥企業(有限合夥)), whose limited partners, holding 10% or more equity interests of it, are China FAW Group Corporation, DongFeng Motor Group Company Limited, Chongqing Changan Automobile Company Limited and Hubei Rongxun Linghang Technology Venture Capital Fund Partnership (Limited Partnership)* (湖北榮巽領行科技創業投資基金合夥企業(有限合夥)), and are owned as to 20% by Shanghai Fuying Enterprise Management Co., Ltd.* (上海符英企業管理有限公司); the Lessor and the parties aforementioned (as well as their ultimate beneficial owners) are all third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASES

As the 4S dealership group with the longest history and the largest sales and service network in Zhongshan City, Guangdong Province, the Group creates an integrated service ecosystem that combines automotive sales, after-sales service, used vehicle sales and other value-added services. The Lessee is the Group's subsidiary engaged in the sales of new-energy vehicles, the operation of electric vehicle charging facilities and the operation of online ride-hailing in the PRC. As disclosed in the Company's voluntary announcement dated 25 January 2022, the Group plans to take the electric vehicle business as one of its key development strategies in the future, which includes the development of the online ride-hailing business. The Group therefore entered into the Leases to rent a total of 360 Changan Eado New-energy Vehicles to lease out to drivers of the T3 Mobility platform as ride-hailing vehicles. The main revenue of the said business is rental and administrative income from participating in operation and administration management. The Group believes that with the growth and maturity of the ride-hailing business, it will steadily push up recurring revenue and cash income. Taking into account the vehicle performance, specifications and suitability to the Lessee's operation, the Lessee and the Lessor entered into the Leases.

In conclusion, the Board (including the independent non-executive Directors) believes that the transactions contemplated under the Leases and their terms are on general commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole, and that no Director has a material interest in the Leases or is required to abstain from voting on the Board resolution to consider and approve the Leases.

LISTING RULES IMPLICATIONS

As the Lessee entered into the Leases with the Lessor in respect of the leasing of a total of 360 Changan Eado New-energy Vehicles on 13 December 2021 and 2 March 2022, all transactions under the Leases were conducted within 12 months and shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

Regarding the First Lease and the Latest Lease separately, all the applicable percentage ratios calculated in respect of the transaction under the First Lease are less than 5% and does not constitute a discloseable transaction of the Company; however, as one or more of the applicable percentage ratios of the transaction under the Latest Lease are more than 5% but all are less than 25%, the transaction under the Latest Lease constitutes a discloseable transaction of the Company. The Company shall comply with the notification and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios of the aggregated transactions under the Group's Leases are more than 5% but less than 25%, the transactions under the Leases together constitute a discloseable transaction and are subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the Board of Directors of the Company;
“Company”	Centenary United Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability (SEHK stock code: 1959);
“Changan Eado New-energy Vehicles”	Changan Eado EV460 new-energy electrical vehicles;
“Director(s)”	director(s) of the Company;
“First Lease”	The lease entered into between the Lessee and the Lessor on 13 December 2021, pursuant to which the Lessee agreed to rent 80 Changan Eado New-energy Vehicles from the Lessor;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Lease”	The lease entered into between the Lessee and the Lessor on 2 March 2022, pursuant to which the Lessee agreed to rent 280 Changan Eado New-energy Vehicles from the Lessor;
“Leases”	the First Lease and the Latest Lease;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Lessee”	Guangdong Centenary United New Energy Technology Co., Ltd.* (廣東世紀聯合新能源科技有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“Lessor”	the Zhongshan branch of Shanghai Jiaxing Automobile Service Co., Ltd., a branch of a company incorporated in the PRC with limited liability;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of PRC and Taiwan of PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“ride-hailing vehicles”	online ride-hailing vehicles;
“SEHK”	The Stock Exchange of Hong Kong Limited;
“T3 Mobility”	an intelligent mobility ecological platform created by Nanjing LingHang Technology Co., Ltd.; and
“%”	percent.

In this announcement, for illustration purposes only, RMB is converted into HK\$ at the rate of RMB1.00 = HK\$1.20.

* *for identification purpose only*

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

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 2 March 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.