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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)**

### **PROFIT WARNING**

This announcement is made by Centenary United Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to management of the Company and a preliminary review and assessment of the Group’s latest unaudited consolidated management accounts for the six months ended 30 June 2021 (the “**Management Accounts**”), the Company expects to record a revenue of approximately RMB979.6 million for the six months ended 30 June 2021 (the “**Reporting Period**”), representing an increase of 38.95% as compared to approximately RMB705.0 million for the six months ended 30 June 2020 (the “**corresponding period in 2020**”). The Group expects to record a consolidated net loss after tax of approximately RMB8.1 million during the Reporting Period, as compared to a consolidated net profit after tax of approximately RMB8.1 million for the corresponding period in 2020.

The significant decline in financial results is mainly attributable to the rebate policy of automobile manufacturers and a decline in gross profit of insurance agency services due to reduced automobile insurance premiums.

Due to the severe outbreak of the COVID-19 in 2020, the automobile manufacturers set a relatively low sales target for automobile dealers in gaining incentive rebates at the end of the year. The Group was still able to attain a considerable rebate for the corresponding period in 2020 despite the decreased sales volume of new vehicles. However, with the gradual economy recovery following the stabilisation of the pandemic, the automobile manufacturers have raised their sales target of 2021 for automobile dealers in general. To boost the Group's sales volume of new vehicles in achieving the year end incentive rebate, there was a downward adjustment in the sales price of new vehicles, which in turn led to a decline in the Group's gross profit.

In addition, the China Banking and Insurance Regulatory Commission has implemented the circular of the guiding opinions on the comprehensive reform of automobile insurance since September 2020, which requires various insurance companies to "cut prices, increase coverage, and improve quality." Given the wider coverage of vehicle damage insurance, the overall premiums paid by consumers have been lowered as consumers are not required to buy various automobile insurances such as insurances for robbery and theft, glass, spontaneous combustion, and flooded cars as in the past. Together with the lowering of handling fee rate provided by the insurance companies to agents, the Group's gross profit from insurance agency services declined from RMB9.2 million for the corresponding period in 2020 to RMB6.0 million during the Reporting Period, which further led to a reduction in gross profit of the Group.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2021. The information contained in this announcement is only a preliminary assessment by the Board based on the Management Accounts and the latest information currently available, which have not been reviewed by the auditor or the audit committee of the Company and may be subject to adjustments. Finalised interim results of the Group for the six months ended 30 June 2021 may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read the Group's interim results announcement for the six months ended 30 June 2021, which is expected to be published in August 2021.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Centenary United Holdings Limited**  
**Law Hau Kit**  
*Chairman, Executive Director and  
Chief Executive Officer*

Hong Kong, 6 August 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.*