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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately RMB1,619.1 million, representing a decrease of approximately RMB379.6 million compared with the same period in 2022 (“YoY”).
- Revenue of sales of motor vehicles amounted to approximately RMB1,357.0 million, representing a YoY decrease of approximately RMB375.1 million.
- Gross profit amounted to approximately RMB90.1 million, representing a YoY decrease of approximately RMB10.4 million.
- Loss attributable to the equity shareholders amounted to approximately RMB52.4 million.

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Centenary United Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2023 (the “**Year 2023**” or the “**Year**”) together with comparative figures for the year ended 31 December in 2022 (the “**Year 2022**” or “**Previous Year**”) as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	<i>Notes</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
REVENUE	4	1,619,147	1,998,707
Cost of sales		<u>(1,529,087)</u>	<u>(1,898,267)</u>
Gross profit		90,060	100,440
Other income and gains	4	49,184	48,303
Selling and distribution expenses		(77,677)	(71,100)
Administrative expenses		(89,086)	(78,451)
Other expenses, net		(14,064)	(6,671)
Finance costs	6	<u>(9,106)</u>	<u>(11,076)</u>
LOSS BEFORE TAX	5	(50,689)	(18,555)
Income tax expense	7	<u>(2,556)</u>	<u>(5,270)</u>
LOSS FOR THE YEAR		<u>(53,245)</u>	<u>(23,825)</u>
Attributable to:			
Owners of the parent		(52,358)	(23,632)
Non-controlling interests		<u>(887)</u>	<u>(193)</u>
LOSS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	<u>RMB(10.36) cents</u>	<u>RMB(4.68) cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(53,245)</u>	<u>(23,825)</u>
OTHER COMPREHENSIVE INCOME		
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>8</u>	<u>135</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>8</u>	<u>135</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(53,237)</u>	<u>(23,690)</u>
Attributable to:		
Owners of the parent	(52,350)	(23,497)
Non-controlling interests	<u>(887)</u>	<u>(193)</u>
	<u>(53,237)</u>	<u>(23,690)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		194,807	194,646
Right-of-use assets		78,002	95,677
Other intangible assets		1,015	349
Deferred tax assets		2,133	792
		<hr/>	<hr/>
Total non-current assets		275,957	291,464
CURRENT ASSETS			
Inventories	<i>10</i>	289,228	232,853
Trade receivables	<i>11</i>	5,823	14,674
Prepayments, other receivables and other assets		180,645	221,135
Pledged deposits		48,746	54,361
Cash and cash equivalents		60,592	82,229
		<hr/>	<hr/>
Total current assets		585,034	605,252
CURRENT LIABILITIES			
Trade and bills payables	<i>12</i>	124,493	111,444
Contract liabilities		42,654	38,222
Other payables and accruals		59,103	59,025
Interest-bearing bank and other borrowings		199,047	184,212
Amount due to a director	<i>14</i>	101,545	170,700
Tax payable		26,314	21,496
		<hr/>	<hr/>
Total current liabilities		553,156	585,099
NET CURRENT ASSETS			
		31,878	20,153
TOTAL ASSETS LESS CURRENT LIABILITIES			
		307,835	311,617

	<i>Notes</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		66,735	68,705
Interest-bearing bank and other borrowings		1,308	—
Amount due to a director	<i>14</i>	48,394	—
Deferred income		1,928	987
		<hr/>	<hr/>
Total non-current liabilities		118,365	69,692
		<hr/>	<hr/>
Net assets		189,470	241,925
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>13</i>	4,558	4,558
Reserves		184,406	235,974
		<hr/>	<hr/>
		188,964	240,532
		<hr/>	<hr/>
Non-controlling interests		506	1,393
		<hr/>	<hr/>
Total equity		189,470	241,925
		<hr/> <hr/>	<hr/> <hr/>

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 October 2018. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18 October 2019 (the “**Listing**”). The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are mainly engaged in the sale of motor vehicles and provision of services in the People’s Republic of China (the “**PRC**”).

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The above new and revised IFRSs effective for the financial year beginning on 1 January 2023 did not have a material impact on the Group.

3. OPERATING SEGMENT INFORMATION

The Group principally engages in the sale of motor vehicles and provision of auto services in the PRC.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the reporting period, the Group operated within one geographical segment because all of its revenue was generated in Chinese Mainland and all of its long-term assets/capital expenditure were located/incurred in Chinese Mainland. Accordingly, no further geographical segment information is presented.

Information about major customers

No revenue from sales of motor vehicles or provision of services to a single customer amounted to 10% or more of total revenue of the Group during the reporting period.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Types of goods or services		
Sale of motor vehicles	1,357,027	1,732,127
Other integrated auto services	<u>262,120</u>	<u>266,580</u>
Total revenue from contracts with customers	<u><u>1,619,147</u></u>	<u><u>1,998,707</u></u>
Timing of revenue recognition		
Transferred at a point in time	1,386,699	1,771,235
Transferred over time	<u>232,448</u>	<u>227,472</u>
Total revenue from contracts with customers	<u><u>1,619,147</u></u>	<u><u>1,998,707</u></u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon delivery of the merchandised products and payment in advance is generally required.

Provision of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon provision of the service and customer acceptance.

The unsatisfied performance obligations are expected to be satisfied within one year.

Other income and gains

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Bank interest income	1,435	1,797
Government grants released (<i>note (a)</i>)	7,410	1,934
Gain on disposal of property, plant and equipment	1,674	3,617
Others (<i>note (b)</i>)	<u>38,665</u>	<u>40,955</u>
Total other income and gains	<u><u>49,184</u></u>	<u><u>48,303</u></u>

Notes:

- (a) Government grants released represented the funds from the PRC government authorities for hosting vehicle exhibitions and other promotional activities. There were no unfulfilled conditions or contingencies in relation to the grants.
- (b) Others mainly included commission income from releasing vehicle mortgages for the customers, commission income from third party financing institutions for vehicle financing and advertisement support received from automobile manufacturers for advertising activities.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	75,770	85,490
Pension scheme contributions	15,157	15,169
	<u>90,927</u>	<u>100,659</u>
Cost of inventories sold (<i>note (a)</i>)	1,367,248	1,735,620
Cost of services provided	158,488	162,647
Depreciation of property, plant and equipment	38,676	29,371
Depreciation of right-of-use assets	17,474	23,340
Amortisation of other intangible assets	59	46
Equity-settled share option expense	782	2,357
Auditor's remuneration	1,790	1,790
Gain on disposal of property, plant and equipment	(1,674)	(3,617)
(Reversals of impairment)/impairment of trade receivables (<i>note (b)</i>)	(89)	56
Write-down of inventories to net realisable value	1,972	929
Interest income	(1,435)	(1,797)
Impairment of property, plant and equipment	5,857	—
Stock loss (<i>note (b), note (c)</i>)	<u>—</u>	<u>2,163</u>

Notes:

- (a) Inclusive of write-down of inventories to net realisable value.
- (b) Included in "Other expenses, net" in the consolidated statement of profit or loss.
- (c) In early March 2022, the management of the Company found that a legally dismissed employee of the Group (who was once a salesperson of Zhongshan Century Jaguar, a wholly owned subsidiary of the Company) (the "Former Employee"), was suspected to have misappropriated car assets of Zhongshan Century Jaguar. Zhongshan Century Jaguar immediately reported the Former Employee's suspected misappropriation to the Chinese police authorities and immediately dismissed him according to law. The Company was informed that the Former Employee has been criminally detained by the relevant Chinese police authorities. There was no stock losses recognised in year 2023 (2022: RMB2.2 million).

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other borrowings	4,816	6,420
Interest on lease liabilities	4,290	4,656
	<hr/>	<hr/>
Total	9,106	11,076
	<hr/> <hr/>	<hr/> <hr/>

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the entities of the Group which were incorporated in the Cayman Islands and the BVI are not subject to any income tax.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the reporting period.

PRC Corporate Income Tax (“CIT”)

Certain subsidiaries of the Group operating in Chinese Mainland were certified as small and micro-sized enterprises (“SMEs”) in 2022 and 2021. They enjoyed a 75% reduction of the first RMB1,000,000 of taxable income, a 75% reduction of taxable income between RMB1,000,000 and RMB3,000,000 and the preferential CIT rate of 20%.

Pursuant to the CIT Law and the respective regulations, the other PRC subsidiaries were subject to income tax at a statutory rate of 25% for the years ended 31 December 2023 and 31 December 2022.

CIT of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in the PRC during the reporting period.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current — the PRC		
Charge for the year	3,897	5,521
Deferred income tax	(1,341)	(251)
	<u> </u>	<u> </u>
Total tax charge for the year	<u>2,556</u>	<u>5,270</u>

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate of the majority of the Group's subsidiaries to the tax expense at the effective tax rate for each of the reporting period is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss before tax	<u>(50,689)</u>	<u>(18,555)</u>
Tax at the statutory tax rate of 25%	(11,893)	(4,639)
Lower tax rates enacted by local authority	(643)	1,901
Expenses not deductible for tax	8,779	6,356
Tax losses utilised from previous periods	(1,090)	(1,251)
Tax effect of tax losses not recognised	7,403	2,903
	<u> </u>	<u> </u>
Tax charge at the effective rate	<u>2,556</u>	<u>5,270</u>

8. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2023 and subsequent to the end of the reporting period (2022: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculations of the basic earnings per share amount are based on the loss for the Year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 505,202,000 (2022: 505,202,000) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per Share amounts presented for the years ended 31 December 2023 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic earnings per Share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss		
Loss attributable to ordinary equity holders of the parent	<u><u>(52,358)</u></u>	<u><u>(23,632)</u></u>
Shares		
Weighted average number of ordinary shares in issue during the year	<u><u>505,202</u></u>	<u><u>505,202</u></u>
	<i>RMB cents</i>	<i>RMB cents</i>
Loss per share: Basic and diluted	<u><u>(10.36)</u></u>	<u><u>(4.68)</u></u>

10. INVENTORIES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Vehicles	276,662	221,636
Accessories	12,566	11,217
	<hr/>	<hr/>
Total	<u>289,228</u>	<u>232,853</u>

At 31 December 2023, the Group's inventories with a carrying amount of approximately RMB81,500,000 (2022: RMB63,616,000) were pledged as security for the Group's interest-bearing bank and other borrowings.

11. TRADE RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	5,882	14,822
Impairment	(59)	(148)
	<hr/>	<hr/>
Total	<u>5,823</u>	<u>14,674</u>

Trade receivables of the Group represented proceeds receivable from the sale of motor vehicles and the provision of services. The Group's trading terms with its customers normally require payment in advance, except for certain customers of services where credit is allowed. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control management system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, there was no significant concentration of credit risk as at 31 December 2023. Trade receivables were interest-free and unsecured as at 31 December 2023.

An ageing analysis of the trade receivables as at the end of the year, based on the invoice date and net of loss allowance, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 3 months	5,625	13,410
3 to 12 months	198	1,264
Total	<u>5,823</u>	<u>14,674</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
At beginning of year	148	92
Impairment losses (<i>note 5</i>)	(89)	56
At the end of year	<u>59</u>	<u>148</u>

As at 31 December 2023

	Invoice date Within 3 months	Invoice date 3 to 12 months	Total
ECL rate	1%	1%	1%
Gross carrying amount (<i>RMB'000</i>)	5,682	200	5,882
ECLs (<i>RMB'000</i>)	57	2	59

As at 31 December 2022

	Invoice date Within 3 months	Invoice date 3 to 12 months	Total
ECL rate	1%	1%	1%
Gross carrying amount (<i>RMB'000</i>)	12,916	1,906	14,822
ECLs (<i>RMB'000</i>)	129	19	148

The Group has applied the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days of ageing. The expected loss rate of trade receivables is assessed to be approximately 1%. There was no significant change in the ECL rates during the reporting period, mainly because no significant changes in the historical default rates of trade receivables, economic conditions and performance and behaviour of the customers were noted, based on which the ECL rates are determined.

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables of the Group, based on the invoice date, as at the end of the reporting period, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 3 months	98,280	96,920
3 to 12 months	26,213	14,524
	<hr/>	<hr/>
Total	<u>124,493</u>	<u>111,444</u>

The trade and bills payables are non-interest-bearing and are normally settled on a 90 to 180 days' term.

The Group's bills payable are secured by the pledged deposits of approximately RMB47,706,000 as at 31 December 2023 (2022:RMB53,316,000).

13. SHARE CAPITAL

Shares

	2023	2022
Authorised: 2,000,000,000 ordinary shares of HK\$0.01 each as at 31 December 2023 and 2022	<u>HK\$20,000,000</u>	<u>HK\$20,000,000</u>
Issued and fully paid: 505,202,000 ordinary shares of HK\$0.01 each as at 31 December 2023 and 2022	<u>HK\$5,052,020</u>	<u>HK\$5,052,020</u>
Equivalent to	<u>RMB4,558,000</u>	<u>RMB4,558,000</u>

14. RELATED PARTY TRANSACTIONS AND BALANCES

The directors are of the opinion that the following companies are related parties that had material transactions or balances with the Group during the year:

(a) **Name and relationship of the related party**

Name	Relationship
Mr. Law Hau Kit	Director of the Company

(b) **Outstanding balance with related party**

As disclosed in the consolidated statements of financial position, the Group had outstanding balance with its related party as follows:

Amount due to a director

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Non-trade Mr. Law Hau Kit	<u>149,939</u>	<u>170,700</u>

The outstanding balance with related party is unsecured and interest-free. Expect for the discounted amount of RMB48,394,000 will be repaid in 2025, the rest outstanding balance was repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In 2023, due to a persisted price war throughout the year in China's automobile market, consumers felt more hesitant for automobile purchases. As competition in the industry intensifies, both joint venture brands and proprietary brands of fuel and new energy vehicles ("NEV(s)") are facing pressure regarding pricing and product iteration, which accelerates the restructuring of the automobile market. Nevertheless, driven by the continuous sales growth of NEVs, along with China's automobile exports surging to the world's top position, sales in China's overall automobile market exhibit a fluctuating upward trend. According to data from the China Association of Automotive Manufacturers (the "CAAM"), in 2023, the production and sales volume of automobiles in China exceeded 30 million units, representing a growth of over 10%, in particular with sales of NEVs accounting for a market share of 31.6%. All of these demonstrated the strong resilience and potential for growth of the Chinese automobile market. It is anticipated that the future automobile market will continue to evolve towards electric transformation, intelligence, networking, and sharing. The Group will closely monitor market trends and implement the development strategy of "Entering the Greater Bay Area and Embracing New Energy".

BUSINESS REVIEW

In the Year 2023, the Group recorded a revenue of approximately RMB1,619.1 million, a decrease of approximately RMB379.6 million compared with the Year 2022. The gross profit decreased 10.3% from approximately RMB100.4 million for the Year 2022 to approximately RMB90.1 million for the Year 2023.

Headquartered in Zhongshan City, Guangdong Province, the Group is located at the center of the Greater Bay Area as a leading provider of diversified vehicle mobility services in the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**"). During the Year, the Group operated a total of 33 outlets in Zhongshan, Foshan, Jiangmen and other cities in the Greater Bay Area, one insurance agency company, three used-vehicle trading centres, and a company engaged in the construction of charging stations and operation of ride-hailing business.

The Group has up to 19 brands authorised by automobile manufacturers, among which 10 are pure electric vehicle brands, namely GAC Aion, Hyper, Leapmotor, Great Wall ORA, Volkswagen ID, Dongfeng New Energy, IM Automobile, JAC Yiwei New Energy, ARCFOX and MARVEL R, and 9 are mid-to-high-end joint venture brands, namely Jaguar Land Rover, FAW-Volkswagen, Buick, Chevrolet, FAW Toyota, Dongfeng Nissan, Dongfeng Venucia, Cadillac, Beijing Hyundai.

SALES OF MOTOR VEHICLES

In the Year 2023, the sales of motor vehicles (comprising new vehicles and used vehicles) were approximately RMB1,357.0 million, representing a decrease of 21.7% compared to approximately RMB1,732.1 million for the Year 2022.

SALES OF NEW VEHICLES

In the Year 2023, the Group's revenue from sales of new vehicles amounted to approximately RMB1,341.7 million (11,435 vehicles in total), representing a decrease of 20.8% from that of RMB1,693.5 million (14,962 vehicles in total) for the Year 2022. A total of 2,229 NEVs were sold and revenue generated was approximately RMB264.0 million during the Year 2023. Comparing with the Year 2022, the Group's revenue from new vehicle sales in the Year 2023 was lower as there was a drop in vehicle sales due to the adverse impact of the macroeconomic situation in China and selling prices of new vehicles sold during the Year 2023 were lower due to the intensified automobile market.

SALES OF USED VEHICLES

The Group sold 476 used vehicles during the Year 2023, with sales revenue of approximately RMB15.3 million, a YoY decrease of 60.4% from approximately RMB38.6 million (979 units in total) as compared to Year 2022. The decrease in sales of used vehicles was mainly attributable to the purchasing power of domestic consumers dampened by the deteriorate macroeconomic situation in China, which affected overall sales of new vehicles, while reducing the number of used vehicle replacements and sales of used vehicles.

OTHER INTEGRATED AUTO SERVICES

As a 4S dealership group providing one-stop car services, the Group offers a series of onestop services such as after-sales services and customer feedback in addition to car sales. Other integrated auto services provided by the Group include repair and maintenance services, sales of spare parts, insurance agency services and other services. In the Year 2023, revenue from comprehensive automobile services amounted to approximately RMB262.1 million, representing a decrease of 1.7% compared with approximately RMB266.6 million in the Year 2022.

REPAIR SERVICES

The Group's repair services are comprised of repair and maintenance services, sales of spare parts, car care services and used vehicle warranty services.

In the Year 2023, revenue from repair services amounted to approximately RMB184.5 million (Year 2022: approximately RMB190.0 million), accounting for approximately 11.4% of the total revenue, representing a decrease of 2.9% compared with the Year 2022, and the gross profit margin increase from 34.0% in the Year 2022 to 36.7% in the Year 2023.

INSURANCE AGENCY SERVICES

In the Year 2023, revenue from the Group's insurance agency services was approximately RMB2.7 million, a decline of approximately 54.2% from RMB5.9 million in the Year 2022. Gross profit dropped 58.0% YoY to approximately RMB2.1 million from RMB5.0 million in the Year 2022. The decline in revenue and gross profit from insurance agency services was mainly due to the reduction in rebate policies of insurance companies.

OTHER SERVICES

The Group's gross profit of other services (mainly comprising vehicle licensing registration services and registration of title transfer of used vehicles) was approximately RMB6.4 million during the Year 2023, representing a decrease of 37.2% from approximately RMB8.6 million of the Year 2022.

NEW-ENERGY VEHICLE RELATED SERVICES

During the Year 2023, the Group had taken the NEV related businesses as one of the key development strategies. Except actively acquiring the dealerships of different NEV brands, the Group also started developing different NEV related services. In addition, during the year, the Group built 34 new charging stations and 268 charging piles in Zhongshan, Zhuhai, Foshan, Guangzhou, Dongguan and Jiangmen and other cities in the Greater Bay Area, providing a total of 489 charging bays. The Group's NEV related services are comprised of charging services fee generated from the electric vehicle charging network in the Greater Bay Area and rental and administrative fee from participating in the operation of the online ride-hailing business.

In the Year 2023, revenue from newly launched NEV related services amounted to approximately RMB48.9 million (Year 2022: approximately 37.5 million), and gross profit from NEV related services amounted to approximately RMB7.3 million (Year 2022: approximately 2.5 million).

PROSPECT AND OUTLOOK

As the automobile industry is a pillar industry of China's national economy, and the Chinese government attach great importance to the development of it. To further stimulate market vitality and consumption potential, measures are taken to support the expansion of consumption of NEVs, stabilise the consumption of fuel vehicles, promote the quality and efficiency of automobile exports, and facilitate the scrapping and renewal of old automobiles and the consumption of second-hand vehicles. The automobile market in China is expected to maintain a stable and improving development trend in 2024.

With the continuous emergence of various new vehicles and technologies, competition between domestic and foreign automobile brands will intensify. While the automobile market is currently evolving with great uncertainties, China's total automobile sales volume has continued to grow steadily, particularly with the sales volume of NEVs maintaining a strong growth. Currently, the majority of the Group's agents in the Greater Bay Area are mainstream fuel vehicle brands and NEV brands with positive development potential. On the basis of stabilising the sales volume of fuel vehicles, the Group will continue to enhance the operation of its network of NEV brands and focus on the improvement of after-sales services and efficiency. The Group will align with the trend of electrification, capitalize on the significant after-sales charging market for NEVs, and endeavour to secure a more prominent position in the charging sector.

FINANCIAL REVIEW

Revenue

For the Year 2023, the Group recorded revenue of approximately RMB1,619.1 million, representing a decrease of approximately RMB379.6 million or 19.0% from that of approximately RMB1,998.7 million for the Year 2022. Sales of motor vehicles contributed approximately RMB1,357.0 million for the Year 2023 (the Year 2022: RMB1,732.1 million) of the Group's total revenue whereas other integrated auto services brought in revenue of approximately RMB262.1 million for the Year 2023 (the Year 2022: approximately RMB266.6 million), representing approximately 83.8% (the Year 2022: 86.7%) and 16.2% (the Year 2022: 13.3%) of the Group's total revenue, respectively.

Cost of sales and gross profit

The Group's cost of sales primarily consists of (i) cost of motor vehicles, (ii) cost of spare part and accessories, (iii) staff costs, (iv) depreciation and (v) others. Cost of motor vehicles is the main cost of sales, accounting for approximately 89.3% for the Year 2023 (the Year 2022: 91.2%). For the Year, the Group's cost of sales amounted to approximately RMB1,529.1 million, representing a decrease of approximately 19.4% as compared to that of approximately RMB1,898.3 million for the Previous Year. The decrease was mainly due to the decrease in costs of automobiles due to a drop in number of vehicles sold.

The Group recorded gross profit of approximately RMB90.1 million for the Year, representing a decrease of approximately 10.3% as compared to that of approximately RMB100.4 million for the Previous Year. The decrease in gross profit was mainly attributable to the decrease in vehicle sales due to the dampened purchasing power affected by the macroeconomic situation in China and the decrease in selling prices of vehicles due to intense competition in the automobile market. Overall gross profit margin of the Group amounted to approximately 5.6% for the Year, as compared to approximately 5.0% for the Previous Year.

Other income and gains

Other income and gains increased by approximately RMB0.9 million, or 1.9%, from approximately RMB48.3 million for the Previous Year to approximately RMB49.2 million for the Year, primarily attributable to government grants from the PRC government authorities for hosting vehicle exhibitions and other promotional activities, commission income from releasing vehicle mortgages for the customers, commission income from third party financing institutions for vehicle financing and advertisement support received from automobile manufacturers for advertising activities.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately RMB6.6 million, or 9.3%, from approximately RMB71.1 million for the Previous Year to approximately RMB77.7 million for the Year.

The increase in selling and distribution expenses for the Year was primarily due to the increasing staff cost and advertisement cost of various new businesses such as establishment of new energy vehicle sales outlets, charging stations, and ride-hailing services as compared to the Previous Year.

Administrative expenses

Administrative expenses primarily consist of (i) salary and wages of administrative staff; (ii) rental expenses; (iii) depreciation and amortisation of fixed asset; (iv) property repair and maintenance expenses; (v) sundry expenses such as expenses for opening new stores; (vi) taxation; and (vii) bank charges. The Group's administrative expenses for the Year were approximately RMB89.1 million, representing an increase of approximately RMB10.6 million from the Previous Year. Such increase was mainly due to the combined effect of (i) the increase of rental expense of approximately RMB4.5 million; (ii) the increase of depreciation and amortisation of fixed asset of approximately 2.0 million; (iii) the increase in repair and maintenance expenses of approximately RMB1.5 million; and (iv) the increase in sundry expenses such as expenses for opening new stores of approximately RMB2.4 million.

Other expenses, net

The Group's other expenses, net increased by approximately RMB7.4 million, or 110.4%, from approximately RMB6.7 million for the Previous Year to approximately RMB14.1 million for the Year, primarily attributable to the increase in loss on disposals of property, plant and equipment and impairment loss recognized in respect of property, plant and equipment.

Finance costs

For the Year 2023, the Group's finance costs were approximately RMB9.1 million (the Year 2022: approximately RMB11.1 million), representing a decrease of approximately RMB2.0 million or 18.0%.

Loss of the year

As a result of the foregoing, the Group's loss for the Year amounted to approximately RMB53.2 million as compared to approximately RMB23.8 million for the Previous Year.

Income tax expenses

For the Year 2023, the income tax expenses of the Group was approximately RMB2.6 million (the Year 2022: approximately RMB5.3 million). The decrease was primarily due to the decrease in taxable income.

Liquidity, financial resources and capital structure

The Group continues to adhere to the principle of prudent financial management and generally meets its working capital requirements by cash flows generated from its operations and short term borrowings.

The Group's gearing ratio, which is total debt divided by total equity, as at 31 December 2023 was approximately 1.85 times (as at 31 December 2022: 1.47 times).

The Group's pledged bank deposits and cash and cash equivalents balances as at 31 December 2023 amounted to approximately RMB109.3 million, representing a decrease of approximately RMB27.3 million as compared to that of approximately RMB136.6 million as at 31 December 2022.

The Group's bank borrowings as at 31 December 2023 were all denominated in Renminbi. The interest rates ranged from 2.7% to 5.7% per annum.

As at 31 December 2023, the Group's interest-bearing bank and other borrowings amounted to RMB200.3 million, representing an increase of 8.7% as compared to RMB184.2 million as at 31 December 2022. Short-term loans and borrowings amounted to approximately RMB199.0 million (the Year 2022: RMB184.2 million), and long-term loans and borrowings amounted to RMB1.3 million (the Year 2022: nil).

Capital expenditures and commitments

As at 31 December 2023, the capital commitments of the Group in connection with building expenditures were approximately RMB3.1 million (as at 31 December 2022: approximately RMB8.3 million).

Foreign exchange

The Group mainly operates in the PRC and the majority of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in RMB. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirement if they arise. Therefore, the Group did not engage in any derivative contracts to hedge its exposure to foreign exchange risk during the Year 2023.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2023 (as at 31 December 2022: nil).

Significant Investments, Acquisitions and Disposals, Future Plan for Material Investments and Capital Assets

The Group had no material acquisitions or disposals during the Year 2023 and up to the date of this announcement.

As of the date of this announcement, the Group did not have plans for material investments or capital assets.

Pledge of assets

As at 31 December 2023 the Group's utilised banking facilities amounting to approximately RMB200.3 million (as at 31 December 2022: RMB184.2 million) were secured by:

- (i) certain of the Group's merchandised goods amounting to approximately RMB81.5 million as at 31 December 2023 (as at 31 December 2022: approximately RMB63.6 million);
- (ii) the Group's buildings, which a net carrying amount of approximately RMB5.6 million as at 31 December 2023 (as at 31 December 2022: approximately RMB6.3 million);
- (iii) the Group's right of use assets, which a net carrying amount of approximately RMB9.1 million as at 31 December 2023 (as at 31 December 2022: approximately RMB9.6 million);

- (iv) the Group's bills payables were secured by pledged deposits of approximately RMB47.7 million for bills payables as at 31 December 2023 (as at 31 December 2022: approximately RMB53.3 million);
- (v) pledged deposits for others of approximately RMB1.0 million as at 31 December 2023 (as at 31 December 2022: RMB1.0 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had a total workforce of approximately 816 employees (the Year 2022: 846). Most of the Group's employees were located in China. The Group offered its staff with competitive remuneration packages. In addition, the Group conducts annual review on salary increment, discretionary bonuses and promotions based on the performance of each employee. During the Year, the Group did not experience any significant problems with its employees due to labour disputes nor did it experience any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

The Board has the general power of determining the Directors' remuneration, subject to authorisation of the shareholders of the Company at the annual general meeting each year. The remuneration of the executive Directors is subject to review by the remuneration committee ("**Remuneration Committee**") of the Company, and their remuneration is determined with reference to the Directors' qualifications, experience, duties, responsibilities and performance and results of the Group. As for the independent non-executive Directors' remuneration, it is determined by the Board upon recommendation from the Remuneration Committee.

The Company has adopted a share option scheme as incentives to Directors and eligible employees. Details of the share option scheme are set out under the paragraph headed "Share Option Scheme" below.

EVENTS AFTER THE BALANCE DATE

Save as disclosed, no event has occurred after 31 December 2023 and up to the date of this announcement which would have a material effect on the Group.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") of the Company will be held on 28 June 2024. A notice convening the AGM together with the circular of the Company will be published on the Company's website and the Stock Exchange website and dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

DIVIDEND

The Board does not recommend the payment of any final dividend for the Year 2023 (Year 2022: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 25 June 2024 (Tuesday) to 28 June 2024 (Friday), both dates inclusive, during which period no transfer of its shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on 24 June 2024 (Monday).

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the Corporate Governance Code as set out in Appendix C1 (formerly Appendix 14) of the Listing Rules (“**CG Code**”) upon Listing and has complied with the code provisions since then and up to 31 December 2023, except in relation to provision C.2.1 of the CG Code where the roles of the Group's chairman and chief executive officer (“**CEO**”) are both performed by Mr. Law. Provision C.2.1 of the CG Code requires that the roles of chairman and CEO should be separate and should not be performed by the same individual. Mr. Law has been responsible for overall strategic planning and management of the Group since the Group was founded in 1999. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, both of which comprise experienced and high-calibre individuals. The Board currently comprises three executive Directors (including Mr. Law), one non-executive Director and three independent non-executive Directors, and therefore has a strong independence element in its composition.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules as its own Code of Conduct for securities transactions conducted by relevant Directors. After making specific enquires to all Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the Year.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 16 September 2019. The purpose of the Share Option Scheme is to provide any Director and full-time employees of any member of the Group (“**Participants**”) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders as a whole.

As at 31 December 2023, the Company had 31,318,000 share option outstanding under the Share Option Scheme, representing approximately 6.2% of the issued share capital of the Company as at the date of this announcement. Details of the share options outstanding as at the date of this announcement are as follows:

Option type	Date of grant	Validity period	Exercisable period	Vesting period	Exercise price (HK\$)	Closing price of the Shares immediately before the date on which the Share Options were Granted (HK\$)
2020 Options	21/05/2020	5 years commencing from the date of grant	21/05/2021 to 20/05/2025 21/05/2022 to 20/05/2025 21/05/2023 to 20/05/2025	21/05/2020 to 20/05/2021 21/05/2020 to 20/05/2022 21/05/2020 to 20/05/2023	0.48	0.445

Option type	Date of grant	Validity period	Exercisable period	Vesting period	Exercise price (HK\$)	Closing price of the Shares immediately before the date on which the Share Options were Granted (HK\$)
2021 Options	21/05/2021	5 years commencing from the date of grant	21/05/2022 to 20/05/2026 21/05/2023 to 20/05/2026 21/05/2024 to 20/05/2026	21/05/2021 to 20/05/2022 21/05/2021 to 20/05/2023 21/05/2021 to 20/05/2024	0.81	0.790

Notes:

- (1) Pursuant to the terms of the Share Option Scheme, the period within which the Shares must be taken up under an option shall be the period of time to be notified by the Board to each grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the time of grant.
- (2) There is no general requirement on the minimum period for which an option must be held before an option can be exercised under the terms of the Share Option Scheme. Upon fulfillment of the vesting conditions of the Share Options, the Share Options are exercisable in the manner set out hereinbelow.
- (3) The 2020 Options, granted on 21 May 2020, are exercisable from 21 May 2021 to 20 May 2025 (both days inclusive) in the following manner:
 - (i). From 21 May 2021 to 20 May 2025: can exercise no more than 40% of the 2020 Options granted;
 - (ii). From 21 May 2022 to 20 May 2025: can exercise no more than 30% of the 2020 Options granted; and
 - (iii). From 21 May 2023 to 20 May 2025: can exercise no more than 30% of the 2020 Options granted.
- (4) The 2021 Options, granted on 21 May 2021, are exercisable from 21 May 2022 to 20 May 2026 (both days inclusive) in the following manner:
 - (i). From 21 May 2022 to 20 May 2026: can exercise no more than 40% of the 2021 Options granted;
 - (ii). From 21 May 2023 to 20 May 2026: can exercise no more than 30% of the 2021 Options granted; and

- (iii). From 21 May 2024 to 20 May 2026: can exercise no more than 30% of the 2021 Options granted.

The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 50,000,000 (being 10% of the Shares in issue as at 18 October 2019 when the Shares first commenced dealing on the Stock Exchange) (the “**General Scheme Limit**”). Subject to the approval of shareholders in general meeting, the Company may refresh the General Scheme Limit to the extent that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options scheme of the Group as refreshed must not exceed 10% of the Shares in issue as at the date of approval provided that the options previously granted will not be counted for purpose of calculating the General Scheme Limit as renewed.

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised, cancelled or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being. The subscription price for Shares under the Share Option Scheme will be a price determined by the Board, but shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares on the date of grant.

The Share Option Scheme will remain in force for a period of 10 years from the date of Listing.

A non-refundable consideration of HK\$1.0 was paid by each grantee on acceptance of the Share Options within 14 days from the date of grant.

The following table discloses movements in the share options of the Company during the Year 2023:

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2023	Movements during the year ended 31 December 2023			Number of options at 31/12/2023
					Granted	Exercised	Lapsed	
Directors and Chief Executive								
Mr. Law Hau Kit	21/05/2020	21/05/2021 to 20/05/2025	0.48	1,200,000	—	—	—	1,200,000
		21/05/2022 to 20/05/2025	0.48	900,000	—	—	—	900,000
		21/05/2023 to 20/05/2025	0.48	900,000	—	—	—	900,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	1,200,000	—	—	—	1,200,000
		21/05/2023 to 20/05/2026	0.81	900,000	—	—	—	900,000
		21/05/2024 to 20/05/2026	0.81	900,000	—	—	—	900,000
				6,000,000	—	—	—	6,000,000
Mr. Chen Huaquan	21/05/2020	21/05/2021 to 20/05/2022	0.48	320,000	—	—	—	320,000
		21/05/2022 to 20/05/2025	0.48	480,000	—	—	—	480,000
		21/05/2023 to 20/05/2025	0.48	480,000	—	—	—	480,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	600,000	—	—	—	600,000
		21/05/2023 to 20/05/2026	0.81	450,000	—	—	—	450,000
		21/05/2024 to 20/05/2026	0.81	450,000	—	—	—	450,000
				2,780,000	—	—	—	2,780,000

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2023	Movements during the year ended 31 December 2023			Number of options at 31/12/2023
					Granted	Exercised	Lapsed	
Ms. Li Huifang	21/05/2020	21/05/2022 to 20/05/2025	0.48	300,000	—	—	—	300,000
		21/05/2023 to 20/05/2025	0.48	300,000	—	—	—	300,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	520,000	—	—	—	520,000
		21/05/2023 to 20/05/2026	0.81	390,000	—	—	—	390,000
		21/05/2024 to 20/05/2026	0.81	390,000	—	—	—	390,000
			1,900,000	—	—	—	1,900,000	
Mr. Woo King Hang	21/05/2020	21/05/2022 to 20/05/2025	0.48	300,000	—	—	—	300,000
		21/05/2023 to 20/05/2025	0.48	300,000	—	—	—	300,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	600,000	—	—	—	600,000
		21/05/2023 to 20/05/2026	0.81	450,000	—	—	—	450,000
		21/05/2024 to 20/05/2026	0.81	450,000	—	—	—	450,000
			2,100,000	—	—	—	2,100,000	
Ms. Yan Fei	21/05/2020	21/05/2021 to 20/05/2025	0.48	200,000	—	—	—	200,000
		21/05/2022 to 20/05/2025	0.48	150,000	—	—	—	150,000
		21/05/2023 to 20/05/2025	0.48	150,000	—	—	—	150,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	200,000	—	—	—	200,000
		21/05/2023 to 20/05/2026	0.81	150,000	—	—	—	150,000
		21/05/2024 to 20/05/2026	0.81	150,000	—	—	—	150,000
					1,000,000	—	—	—

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2023	Movements during the year ended 31 December 2023			Number of options at 31/12/2023
					Granted	Exercised	Lapsed	
Mr. Li Wai Keung	21/05/2020	21/05/2021 to 20/05/2025	0.48	200,000	—	—	—	150,000
		21/05/2022 to 20/05/2025	0.48	150,000	—	—	—	150,000
		21/05/2023 to 20/05/2025	0.48	150,000	—	—	—	150,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	200,000	—	—	—	200,000
		21/05/2023 to 20/05/2026	0.81	150,000	—	—	—	150,000
		21/05/2024 to 20/05/2026	0.81	150,000	—	—	—	150,000
					1,000,000	—	—	—
Mr. Hui Chun Tak	21/05/2020	21/05/2022 to 20/05/2025	0.48	150,000	—	—	—	150,000
		21/05/2023 to 20/05/2025	0.48	150,000	—	—	—	150,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	200,000	—	—	—	200,000
		21/05/2023 to 20/05/2026	0.81	150,000	—	—	—	150,000
		21/05/2024 to 20/05/2026	0.81	150,000	—	—	—	150,000
					800,000	—	—	—
Total Directors				15,580,000	—	—	—	15,580,000

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2023	Movements during the year ended 31 December 2023			Number of options at 31/12/2023
					Granted	Exercised	Lapsed	
Employees	21/05/2020	21/05/2021 to 20/05/2025	0.48	558,000	—	—	—	558,000
		21/05/2022 to 20/05/2025	0.48	2,490,000	—	—	—	2,490,000
		21/05/2023 to 20/05/2025	0.48	2,490,000	—	—	—	2,490,000
	21/05/2021	21/05/2022 to 20/05/2026	0.81	4,300,000	—	—	220,000	4,080,000
		21/05/2023 to 20/05/2026	0.81	3,225,000	—	—	165,000	3,060,000
		21/05/2024 to 20/05/2026	0.81	3,225,000	—	—	165,000	3,060,000
Total Employees				16,288,000	—	—	550,000	15,738,000
Total				31,868,000	—	—	550,000	31,318,000

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, at least 25% of the Company's issued share capital were held by the public as at the date of this announcement.

AUDIT COMMITTEE

The Company has an audit committee (the “**Audit Committee**”) which was established in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee has three members comprising three independent non-executive Directors, being Mr. Li Wai Keung (“**Mr. Li**”), Mr. Hui Chun Tak and Ms. Yan Fei. The Audit Committee is chaired by Mr. Li, who has appropriate professional qualifications and experience as required by Rule 3.10(2) of the Listing Rules.

The Audit Committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2023 and the financial statements for the year ended 31 December 2023 prepared in accordance with the IFRSs.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young ("EY"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement for Year has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.car2000.com.cn), and the annual report for the Year 2023 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our loyal shareholders, partners and customers for their continuous support and to our staff for their dedication.

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

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 28 March 2024

As at the date of this announcement, the executive Directors are Mr. Law Hau Kit, Mr. Chen Huaquan 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.

* *For identification purpose only*