

# TARGET

## Intelligence Report

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CENTENARY UNITED HOLDINGS LTD:  
'UNIMPRESSED' IS THE ONE WORD THAT  
COMES QUICKLY TO ONE'S MIND  
ON STUDYING THIS COMPANY'S HISTORY AND FINANCIALS

This Medium Is Of The Opinion That The Chairman,  
Most Likely, Is Hot To Trot For More, Interest-Free Cash

The word, '*economy*', is derived from the Greek word: '*oikonomia*.'

Oikonomia, in turn, was originally defined as being '*the management of a household*'.

Today, the word, '*economy*', has commonly taken on the meaning of the (financial) state of a country, a territory or a region in terms of the production and consumption of goods and services as well as the supply of money.

Going back into history, however, the Greek word, '*oikonomia*' had a vastly different meaning, having taken upon itself the idea of the head of a household, allocating scarce resources among its various household

members, taking into account each member's abilities, efforts, and desires.

This original meaning of the word, economy, silly as it may sound, makes admirable sense, actually, since households and economies (economies of the free world, that is, now popularly known as market economies as opposed to economies, controlled directly by the governments of the day) have a great deal in common.

The head of a household has many decisions to make, taking into account, inter alia, the finite resources, at hand, resources that are available at any particular time and place; and, how these scarce resources should be allocated among household members in order to bring to pass the best rewards to the family, per se.

As with a household, a society faces many similar decisions, also: It must decide, among other things, what jobs should be performed and by whom.

Some people have to grow crops to feed the populace as well as raise livestock.

Some people have to be engaged in producing clothes, while others, in today's societies, especially, must engage in designing and improving existing computers and their very necessary software components, to name but a smidgen of that which the industries of the world have to feed avaricious consumers.

And it follows that the elasticity of labour becomes very apparent when the demand for industries' products becomes more elastic: One follows another, if you will.

For the heads of the many households of the **People's Republic of China (PRC)**, today, as with the heads of the households of 18<sup>th</sup> Century Europe, they have to make similar choices as those of their forefathers.

The PRC has graduated, to a great extent, to a market-driven economy; it enjoys – or suffers – similar considerations as in days of yore in respect of the allocation of limited scarce resources.

Centenary United Holdings Ltd () (Code: 1959, Main Board, The Stock Exchange of Hongkong Ltd) is in the business of selling and servicing motor vehicles in the most-populace country of the world.

This Company is domiciled in the Guangdong Province of the PRC, proper, being separate and distinct from the **Hongkong Special Administrative Region (HKSAR)** of the PRC.

The human population of the Guangdong Province numbers a little less than 114 million, men, women and children, spread across about 69,400 square miles.

The human population of the Guangdong Province, therefore, represents about eight percent of the total human population of the entire country, numbering nearly 1.40 billion people.

Management of Centenary United Holdings Ltd has stated, definitively, that *‘both our revenue and gross profit from sales of motor vehicles performed well’*, during the 40 months to April 30, 2019.

Nonsense!

**TARGET** () takes grave exception to the above statement since sales of the Company’s motor vehicles rose only by about two percent, Year-On-Year, in respect of the 2018 Financial Year, ended December 31, 2018, while the Gross Profit Margin came in at about 8.99 percent, with the Net Profit Margin at about 1.77 percent.

Which of the two statistics is more important: The Gross Profit Margin; or, The Net Profit Margin?

Of course, this medium is well aware of the logical fallacy: *‘Numbers prove’*.

### **The Initial Public Offering (IPO) Of Centenary United Holdings Ltd**

On Monday, September 30, 2019, Management of Centenary United Holdings Ltd published and disseminated its Global Offering Prospectus in the HKSAR.

The Company’s Global Offering of 125 million, one-cent Shares were Offered at the Indicative Offer Price Per Share, ranging from a low of \$HK1.01 to a high of \$HK1.23.

Investors of the HKSAR were Offered 12.50 million Shares (the Hongkong Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with the corporate entities in which they held equity control – were induced to subscribe to 112.50 million Shares via a Placing Shares tranche (the International Placing Offer Shares tranche).

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