

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Century Sage Scientific Holdings Limited

世紀睿科控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1450)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 55% EQUITY INTEREST IN THE TARGET COMPANY

SUPPLEMENTAL AGREEMENT

Reference is made to the Company's announcements dated 9 November 2018 (the "**Disposal Announcement**"), 4 December 2018, 8 July 2020 and 9 February 2022 relating to the disposal of the Sale Interest to the Purchaser (collectively, the "**Announcements**"). Unless otherwise defined in this announcement, the terms used herein shall have the same meanings as defined in the Announcements.

THE 3RD SUPPLEMENTAL AGREEMENT

The Board announces that on 10 March 2023 (after trading hours), the Subsidiary, the Purchaser and the Target Company entered into a supplemental agreement to the Agreement (the "**3rd Supplemental Agreement**") to amend the certain terms of the Agreement. A summary of amendments to the terms of the Agreement are set out as follows:

Revised Consideration

Pursuant to the Agreement (as amended by the 1st Supplemental Agreement and the 2nd Supplemental Agreement) (the "**Previous Agreements**"), the Consideration was RMB42.9 million, subject to the adjustment as set out in the paragraph headed "Adjustment to the Consideration" in the Disposal Announcement.

Pursuant to the 3rd Supplement Agreement, the Consideration has been revised and the revised consideration of the Disposal (the “**Revised Consideration**”) will be calculated based on the following:

RMB42.9 million – A + B, where

A = 55% of the actual net loss (if any) of the Target Company for the year ended 31 December 2022 (the “**Year 2022**”) as set out in the Financial Statements prepared by an auditor to be appointed by the Purchaser. Based on the management accounts of the Target Company for the Year 2022, the unaudited net loss of the Target Company for the Year 2022 amounted to approximately RMB2.19 million.

B = If the actual aggregate net profit of the Target Company for the Revised Profit Guarantee Period ^(Note) as set out in the Financial Statements prepared by an auditor to be appointed by the Purchaser (the “**Actual Profit**”) exceeds the Profit Target, 55% of the portion of the Actual Profit in excess of the Profit Target for the Revised Profit Guarantee Period.

, provided that the Revised Consideration shall not exceed RMB42.9 million and subject to the adjustment as set out in the Announcements.

Note: Under the Previous Agreements, the Profit Guarantee Period was the two years ended 31 December 2019 and the year ended 31 December 2022. Under the 3rd Supplemental Agreement, the profit guarantee period has been amended to the two years ended 31 December 2019 and the year ending 31 December 2023 (the “**Revised Profit Guarantee Period**”).

Revised Third Payment

Under the Previous Agreements, the Consideration was payable by three instalments. As of the date of this announcement, (i) the first payment and the Second Payment have been fully paid by the Purchaser in accordance with the terms of the Previous Agreements and (ii) the outstanding Third Payment amounted to RMB18.0 million (subject to adjustment) shall be payable by the Purchaser to the Subsidiary within seven days after the issuance of the audited financial statements of the Target Company for the Profit Guarantee Period.

As the Consideration have been amended to the Revised Consideration under the 3rd Supplemental Announcement, the Third Payment will be adjusted accordingly and the revised third payment of the Consideration (the “**Revised Third Payment**”) will be calculated based on the following:

RMB18.0 million – A + B, where A and B have the same meaning as defined in the paragraph headed “Revised Consideration” in this announcement, provided that the Revised Third Payment shall not exceed RMB18.0 million and subject to the adjustment as set out in the Announcements.

The Revised Third Payment shall be payable by the Purchaser to the Subsidiary (i) within seven days after the issuance of the audited financial statements of the Target Company for the Revised Profit Guarantee Period and (ii) on the condition that all outstanding funds and payables owed by the Subsidiary to the Target Company have been settled.

Save for the changes mentioned above in relation to (i) the Revised Consideration; (ii) the Revised Profit Guarantee Period and (iii) the Revised Third Payment, no changes have been made to the Previous Agreements. For the avoidance of doubt, the adjustment mechanism of the Consideration as set out in the Announcements remains unchanged, save that (i) the “Consideration” shall be replaced by the “Revised Consideration”; (ii) the Revised Consideration shall be deducted from the “Revised Third Payment” instead of the “Third Payment”; and (iii) the “Profit Guarantee Period” shall be replaced by the “Revised Profit Guarantee Period”.

REASONS FOR ENTERING INTO THE 3RD SUPPLEMENTAL AGREEMENT

In view of the persistent outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) during the Profit Guarantee Period, the social distancing restrictions and requirement had been modified by the government from time to time. As such, there has been disruption in the general business operation environment of the sports industry in the PRC, especially the business performance of the Target Company was affected and was unable to meet the Profit Target for the respective profit guarantee period under the Previous Agreements. Having considered that COVID-19 was identified as a Class B infectious disease at the end of 2022 and the sports industry will no longer be affected on a large scale by the COVID-19, the parties agreed to enter into the 3rd Supplemental Agreement to replace the results of the Year 2022 by the results of the year ending 31 December 2023 (the “**Year 2023**”) from the Revised Profit Guarantee Period for adjustment of the Consideration.

In order to incentivise the Purchaser to enter into the 3rd Supplemental Agreement and assess the achievement of the Profit Target under the Revised Guarantee Period, the Directors are of the view that it is fair and reasonable to share the net loss attributable to the Sale Interest for the Year 2022 by deducting the same from the Consideration, while providing the Company with the opportunity to receive the previously agreed Consideration of RMB42.9 million under the Previous Agreements if the Target Company will be able to achieve audited net profit in excess of the Profit Target in the Year 2023.

Having considered the reasons and benefits of the Disposal as set out in the Announcements, the Directors are of the view that the terms of the 3rd Supplemental Agreement (including the Revised Consideration and Revised Profit Guarantee Period) are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By Order of the Board
Century Sage Scientific Holdings Limited
Lo Chi Sum
Chairman

Hong Kong, 10 March 2023

As at the date of this announcement, the executive Directors are Mr. Lo Chi Sum, Mr. Li Jun, Mr. Li Liang and Ms. Zhao Hui Li, and the independent non-executive Directors are Mr. Cui Xiao Bo, Mr. Ma Zhan Kai and Dr. Yu Guo Jie.