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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Century Sage Scientific Holdings Limited (the “**Company**”) hereby present the audited consolidated final results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2021 (the “**Corresponding Period**”). The audited consolidated final results of the Group have been reviewed by the audit committee of the Company.

KEY HIGHLIGHTS

FINANCIAL SUMMARY

	For the year ended 31 December		Year-on- year change
	2022 RMB'000	2021 RMB'000	increase/ (decrease) (%)
Revenue			
New media services	302,511	22,001	1,275.0
Application solutions	73,962	121,390	(39.1)
Sales of self-developed products	35,540	47,409	(25.0)
System maintenance services	13,593	11,988	13.4
Total	425,606	202,788	109.9
Gross profit			
New media services	155,087	11,132	1,293.2
Application solutions	13,321	17,470	(23.7)
Sales of self-developed products	23,410	29,297	(20.1)
System maintenance services	6,430	6,438	(0.1)
Total	198,248	64,337	208.1
Loss for the year	(16,391)	(68,724)	(76.1)
Adjusted net profit/(loss)*	25,716	(38,377)	167.0

* For details of the adjusted net profit/(loss) based on the non-HKFRS measures, please refer to the paragraph headed "Reconciliation of the Non-HKFRS measures to the nearest HKFRS measures" in this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Since 2019, the Group has deployed its new media business on platforms such as Douyin and Bilibili. Through years of technological innovation, diversified development, organizational adjustments, and strategic cooperation, the Group has actively embraced the new normal of the all media industry in China and made major breakthrough during the Reporting Period. During the Reporting Period, revenue of the Group was approximately RMB425.6 million, representing an increase of 109.9% as compared to approximately RMB202.8 million for the Corresponding Period. A loss of approximately RMB16.4 million was recorded during the Reporting Period, representing a decrease of 76.1% in loss as compared to the loss of approximately RMB68.7 million in the Corresponding Period, and profits were recorded in the second half of the Reporting Period, representing a significant improvement in the Group's performance. In addition, the Group recorded a non-HKFRS adjusted net profit** of approximately RMB25.7 million during the Reporting Period, while the non-HKFRS adjusted net loss** was approximately RMB38.4 million for the Corresponding Period.

In recent years, the commercial value of new media platforms has been increasing. It is not only an important gateway for users to obtain information and seek leisure entertainment, but also serves as important means for a wide range of industry customers to carry out their brand promotion and product distribution, especially with the live-streaming promotion model, which is a rare and great opportunity for the Group to expand the new media services with the video streaming technology and business service capabilities of the Group. During the Reporting Period, the Group adjusted the organizational structure of the new media services business, enhanced the operational efficiency, competitiveness and the ability to acquire market resources of the new media services business. The Group also strategically selected operation partners and utilized cooperation resources to become a leading institution in the live-streaming e-commerce business. The Group focused on satisfying the demands of users in a targeted manner, increasing user interaction, and ensuring the quality of products and services, the Group gained a fast-growing popularity and trust in the live-streaming e-commerce industry. The Group always insisted on improving the customer experience and product sales capabilities of merchants on new media platforms such as Douyin and Taobao, and achieved success in operation. During the Reporting Period, revenue of the new media services segment of the Group increased to approximately RMB302.5 million, representing a year-on-year increase of 1,275.0%, gross profit of which increased to approximately RMB155.1 million, representing a year-on-year increase of 1,293.2%. The Group entered into an exclusive cooperation agreement with Beijing Jiao Ge Peng You Digital Technology Co., LTD* (北京交個朋友數碼科技有限公司) and its wholly owned subsidiary, namely Tianjin Jiao Ge Peng You Brand Management Co., LTD* (天津交個朋友品牌管理有限公司) (collectively, “**Jiao Ge Peng You**”), pursuant to which the Group had exclusively operated all of the Douyin accounts of Jiao Ge Peng You from November 2022 onwards. As at 31 December 2022, the Group operated more than 15 live-streaming e-commerce accounts on Douyin and Taobao platforms, with a total of more than 40 million followers.

* *The official names are in Chinese and the English names are translated for identification purpose only.*

** *For details of the adjusted net profit/(loss) calculated by non-HKFRS measures, please refer to the paragraph headed “Reconciliation of Non-HKFRS Measures to the Nearest HKFRS Measures” in this announcement.*

During the Reporting Period, due to the multiple regional recurrence of the pandemic, the macroeconomic environment faced diverse challenges. Since system maintenance and application solutions segments of the Group required a large amount of on-site installations and testings, related orders and deliveries were affected. However, all employees of the Group overcame multiple unfavorable factors and responded positively overall. On the one hand, the Group insisted on selectively focusing on the projects of systems maintenance and application solutions segments which have a higher gross profit margins or better payment terms, and maintained good and stable operations. On the other hand, the Group maintained an industry-leading position in the technical service capabilities, especially the Group's ability to provide one-stop full service for major customers, which in turn elevated the market position of the Group in the all media industry. During the Reporting Period, the high-throughput portable station (NanoSat-306U), independently developed and produced by Cogent (Beijing) Technology Co., Ltd.* (高駿(北京)科技有限公司) (“**Cogent (Beijing)**”), the subsidiary of the Group, assisted in delivering the news report on the disaster relief supplies mission conducted by journalist of CGTN in Tonga. It proved the reliability of the video live streaming capability of the Group's self-developed products. Meanwhile, during the Reporting Period, the Group was also honored to participate in providing technical services to the live broadcast by Xinhua News Agency for the launch of the Shenzhou 15 manned spacecraft using the high-throughput Ku satellite portable station which self-developed by Cogent (Beijing). In addition, the Group established a strategic partnership with Terminus Technology Group Co., Ltd.* (特斯聯科技集團有限公司) to jointly enhance the comprehensive service capabilities of video cloud services and intelligent video solutions.

FUTURE OUTLOOK

Looking forward, the Group will continue to focus on the field of all-media services, improve the technical level and operational capabilities, and strive to become a trusted friend to its consumers and business partners while providing better products and services with higher quality. Based on the excellent partnership established with major e-commerce platforms and well-known e-commerce institutions in the new media services segment during the Reporting Period, the Group will actively build a high-quality live streaming e-commerce channel to achieve efficient links between high-quality products and consumers, continue to provide high-quality and affordable products and services to create value for users to improve their quality of life. The Group will strictly select products from the source and standardize the selection process with data to build a trustworthy brand image; constantly foster high quality and standardized operation team to provide reliable service guarantee for customers; devote to promote the improvement of the informatization platform in the operation process to ensure the efficiency and effectiveness of information transmission; devote to the innovation of content and form in the live streaming to ensure the sustainability of the traffic flow; continue and further explore the industry account matrix, actively expanding product category. At the same time, for the systems maintenance and application solutions related to live streaming, the Group will continue to monitor market demand and changes, promote technological innovation and optimization, and strengthen personnel training to continue to maintain the Group's leading position in the technical market.

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FINANCIAL REVIEW

Revenue

Based on the financial information, the Group's revenue increased by approximately 109.9% to RMB425.6 million (2021: RMB202.8 million) during the Reporting Period. The increase in revenue during the Reporting Period was mainly attributable to the significant increase in revenue generated from new media services of the Group on new media platforms such as Douyin and Taobao.

Revenue generated from the new media services segment increased by approximately 1,275.0% while the revenue generated from the application solutions segment decreased by approximately 39.1% during the Reporting Period. Revenue generated from the sales of self-developed products segment decreased by approximately 25.0% while the revenue generated from the system maintenance services segment increased by approximately 13.4% during the Reporting Period.

The table below sets out the Group's segment revenue for the years ended 31 December 2022 and 2021 respectively:

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Segment revenue				
New media services	302,511	71.1%	22,001	10.8%
Application solutions	73,962	17.4%	121,390	59.9%
Sales of self-developed products	35,540	8.4%	47,409	23.4%
System maintenance services	13,593	3.1%	11,988	5.9%
Total	425,606	100.0%	202,788	100.0%

New media services

Revenue generated from the new media services segment represented approximately 10.8% and 71.1% of the total revenue of the Group for the Corresponding Period and the Reporting Period, respectively. Such revenue increased from approximately RMB22.0 million for the Corresponding Period to approximately RMB302.5 million for the Reporting Period. The increase was mainly due to the major cooperation between the Group and two major new media platforms, namely Douyin and Taobao in 2022, which resulted in a significant increase in revenue from live streaming e-commerce activities.

Application solutions

Revenue generated from the application solutions segment represented approximately 59.9% and 17.4% of the total revenue of the Group for the Corresponding Period and the Reporting Period, respectively. Such revenue decreased from approximately RMB121.4 million for the Corresponding Period to approximately RMB74.0 million for the Reporting Period. The decrease was mainly due to the reduction and postponement of the projects with certain major customers of the Group as a result of the COVID-19 pandemic prevention and control measures in China during the Reporting Period.

Sales of self-developed products

Revenue generated from the sales of self-developed products segment represented approximately 23.4% and 8.4% of the total revenue of the Group for the Corresponding Period and the Reporting Period, respectively. Such revenue decreased from approximately RMB47.4 million for the Corresponding Period to approximately RMB35.5 million for the Reporting Period. The decrease was mainly due to the disposal of Beijing BroadVision Information Technology Company Limited* (北京經緯中天信息技術有限公司) (“**Beijing BroadVision**”) during the Reporting Period, which is a non-wholly owned subsidiary of the Company prior to the completion of the aforesaid disposal.

System maintenance services

Revenue generated from the system maintenance services segment represented approximately 5.9% and 3.1% of the total revenue of the Group for the Corresponding Period and the Reporting Period, respectively. Such revenue slightly increased from approximately RMB12.0 million for the Corresponding Period to approximately RMB13.6 million for the Reporting Period. The slight increase was mainly due to the recurrence of demand for on-site support services during the Reporting Period.

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Cost of sales

The Group's cost of sales increased by approximately 64.2% from approximately RMB138.5 million for the Corresponding Period to approximately RMB227.4 million for the Reporting Period. The table below sets out the Group's segment cost of sales for the years ended 31 December 2022 and 2021 respectively:

	For the year ended 31 December			
	2022	% of	2021	% of
	RMB'000	total cost	RMB'000	total cost
Segment cost of sales				
New media services	147,424	64.8%	10,869	7.8%
Application solutions	60,641	26.7%	103,920	75.1%
Sales of self-developed products	12,130	5.3%	18,112	13.1%
System maintenance services	7,163	3.2%	5,550	4.0%
Total	227,358	100.0%	138,451	100.0%

New media services

The cost of sales the new media services segment increased by approximately 1,256.4% from approximately RMB10.9 million for the Corresponding Period to approximately RMB147.4 million for the Reporting Period. The increase was mainly due to the significant increase in revenue of the Group's new media services segment during the Reporting Period which significantly increased the cost of sales of the new media services segment.

Application solutions

The cost of sales of the application solutions segment decreased by approximately 41.6% from approximately RMB103.9 million for the Corresponding Period to approximately RMB60.6 million for the Reporting Period. The decrease was mainly due to the decrease in cost of sales incurred for the decrease in revenue of the application solutions segment during the Reporting Period.

Sales of self-developed products

The cost of sales of the self-developed products segment decreased by approximately 33.0% from approximately RMB18.1 million for the Corresponding Period to approximately RMB12.1 million for the Reporting Period. The decrease was mainly due to the decrease in cost of sales incurred for the decrease in revenue generated from the sales of self-developed products segment of the Group during the Reporting Period.

System maintenance services

The cost of sales of the system maintenance services segment increased by approximately 29.1% from approximately RMB5.6 million for the Corresponding Period to approximately RMB7.2 million for the Reporting Period. The increase was mainly due to the extension of the construction period due to the COVID-19 pandemic prevention and control measures in China during the Reporting Period.

Gross profit and gross profit margin

The Group's gross profit was approximately RMB64.3 million and approximately RMB198.2 million for the Corresponding Period and the Reporting Period, respectively, representing an increase of approximately 208.1%. The Group's gross profit margin was approximately 31.7% and approximately 46.6% for the Corresponding Period and the Reporting Period, respectively. The following table sets out the gross profit and gross profit margin of each of the Group's business segments for the years ended 31 December 2022 and 2021 respectively:

	For the year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>Gross profit margin</i>	<i>RMB'000</i>	<i>Gross profit margin</i>
Segment gross profit and gross profit margin				
New media services	155,087	51.3%	11,132	50.6%
Application solutions	13,321	18.0%	17,470	14.4%
Sales of self-developed products	23,410	65.9%	29,297	61.8%
System maintenance services	6,430	47.3%	6,438	53.7%
Total	198,248	46.6%	64,337	31.7%

The gross profit margin of the new media services segment increased slightly from approximately 50.6% for the Corresponding Period to approximately 51.3% for the Reporting Period. The Group believes the change was within a reasonable range in its normal operation.

The gross profit margin of the application solutions segment increased from approximately 14.4% for the Corresponding Period to approximately 18.0% for the Reporting Period. The increase in gross profit margin was mainly due to the increased adoption of domestic branded application solutions by the Group, resulting in a decrease in the corresponding purchase costs.

The gross profit margin of the sales of self-developed products segment increased from approximately 61.8% for the Corresponding Period to approximately 65.9% for the Reporting Period. The Group believes the change was within a reasonable range in its normal operation.

The gross profit margin of the system maintenance services segment decreased from approximately 53.7% for the Corresponding Period to approximately 47.3% for the Reporting Period. The decrease in gross profit margin was mainly due to the extension of the project construction period and the increase in costs outpaced revenue growth due to the COVID-19 prevention and control measures during the Reporting Period.

Other losses/gains, net

Other losses, net was approximately RMB3.8 million for the Reporting Period while other gains, net was approximately RMB4.2 million for the Corresponding Period. The decrease was mainly due to the fair value change when the Group surrendered the key-man life insurance policies during the Reporting Period.

Administrative expenses

Administrative expenses were approximately RMB76.2 million and approximately RMB107.8 million for the Corresponding Period and the Reporting Period, respectively, representing an increase of approximately 41.6%. The increase in administrative expenses was due to the increase in salary and wage expenses for the recruitment and reserve layout of outstanding administrative talents with a view to expanding the new media business, and the increase in share-based compensation expenses to certain outstanding administrative talents for the purpose of long-term incentives.

Selling expenses

Selling expenses were approximately RMB10.9 million and approximately RMB70.9 million for the Corresponding Period and the Reporting Period, respectively, representing an increase of approximately 548.4%. The increase in selling expenses was due to the increase in salary and wage expenses for the recruitment and reserve layout of outstanding marketing talents with a view to expanding the new media business, and the increase in share-based compensation expenses to certain outstanding marketing talents for the purpose of long-term incentives.

Finance costs, net

Finance costs, net were approximately RMB16.2 million and approximately RMB11.6 million for the Corresponding Period and the Reporting Period, respectively, representing a decrease of approximately 28.7%. The decrease in finance costs, net was due to the decrease in the average balance of the Group's bank and other borrowings during the Reporting Period as compared to the Corresponding Period and the increase in gains on foreign exchange.

Income tax expense/credit

Income tax expense for the Reporting Period was approximately RMB10.3 million while income tax credit for the Corresponding Period was approximately RMB3.5 million. The increase in income tax expense was mainly due to the increase in profit generated from the new media services segment.

Loss for the year

As a result of the foregoing factors, the loss attributable to owners of the Company was decreased by approximately 85.1% from a loss of approximately RMB61.6 million for the Corresponding Period to a loss of approximately RMB9.2 million for the Reporting Period.

Reconciliation of Non-HKFRS Measures to the Nearest HKFRS Measures

To supplement the consolidated financial statements, which are presented in accordance with HKFRSs, the Company also uses adjusted net profit/(loss) as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. The Company believes adjusted net profit/(loss) facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which the management considers non-indicative of operating performance of the Group, such as certain non-cash items, one-off items or items which are not operating in nature.

The Company believes adjusted net profit/(loss) provides useful information in understanding and evaluating its consolidated results of operations in the same manner as they help our management. However, the presentation of adjusted net profit/(loss) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net profit/(loss) has limitations as an analytical tool, and anyone should not consider it in isolation from, or as a substitute for an analysis of, its results of operations or financial condition as reported under HKFRSs. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

The following table sets forth the reconciliations of non-HKFRS financial measures of the Group for the years ended 31 December 2022 and 2021, respectively, to the nearest measures prepared in accordance with HKFRS:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(16,391)	(68,724)
Adjusted for:		
Share based payment expenses	23,422	93
Fair value losses on financial assets at FVPL	12,139	1,277
Amortisation of deferred day-one loss	6,546	2,294
Change in fair value of contingent consideration receivable	–	17,755
Impairment loss on goodwill	–	7,128
Impairment loss on interest in an associate	–	1,800
	<hr/>	<hr/>
Adjusted net profit/(loss)	<u>25,716</u>	<u>(38,377)</u>

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Net cash outflow generated from the Group's operating activities amounted to approximately RMB2.1 million for the Reporting Period and net cash inflow generated from the Group's operating activities amounted to approximately RMB7.8 million for the Corresponding Period.

Net cash inflow generated from the Group's investing activities amounted to approximately RMB32.3 million for the Reporting Period and net cash inflow generated from the Group's investing activities amounted to approximately RMB4.3 million for the Corresponding Period.

Net cash outflow generated from the Group's financing activities amounted to approximately RMB34.8 million for the Reporting Period and net cash inflow generated from the Group's financing activities amounted to approximately RMB36.1 million for the Corresponding Period.

The total bank and other borrowings of the Group decreased from approximately RMB163.1 million as at 31 December 2021 to approximately RMB126.8 million as at 31 December 2022. Such decrease was mainly attributable to repayments of bank and other borrowings of the Group during the Reporting Period.

As at 31 December 2022, the Group had current assets of approximately RMB352.9 million (as at 31 December 2021: approximately RMB344.7 million) and current liabilities of approximately RMB318.2 million (as at 31 December 2021: approximately RMB306.5 million). The current ratio (which is calculated by dividing current assets by current liabilities) decreased slightly to approximately 1.11 as at 31 December 2022 from approximately 1.12 as at 31 December 2021.

Bank balances and cash of the Group as at 31 December 2022 were mainly denominated in Renminbi (“RMB”) and Hong Kong Dollar (“HKD”).

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, JPY and HKD. Foreign exchange risk arose from future commercial transactions, recognised assets and liabilities which are denominated in non-RMB.

The management of the Group has set up a policy to require the Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to control the exposure of the foreign currency during the business operation. The foreign currency exposure is mainly due to the purchase of the equipment from other countries and the management controls on the payment schedule to reduce the foreign exchange risk. Save for certain bank balances, accounts payables and loans in USD, JPY and HKD, the impact of foreign exchange exposure on the Group was minimal and there was no significant adverse effect on normal operations. During the Reporting Period, the Group did not commit to any financial instruments to hedge its exposure to foreign exchange risk. However, the management of the Group monitors foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arise.

INTEREST RATE RISK

Other than bank balances with variable interest rates, the Group has no other significant interest-bearing assets. The management of the Group does not anticipate significant impact on interest-bearing assets resulting from the changes in interest rates since the interest rates of bank balances are not expected to change significantly.

The Group’s interest rate risk arises from borrowings. Borrowings with variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group has not hedged its cash flow interest rate risks.

CHARGE OVER ASSETS OF THE GROUP

As at 31 December 2022, bank borrowings of RMB29,500,000 (2021: RMB31,000,000) are secured by the buildings with carrying amount of RMB25,333,000 (2021: RMB27,960,000).

GEARING POSITION

The gearing ratio, which represented net debt (total debts less pledged bank deposits and bank balances and cash) divided by total equity multiplied by 100%, was 128.1% and 88.3% as at 31 December 2021 and 2022, respectively. The total borrowings of the Group decreased from approximately RMB163.1 million as at 31 December 2021 to approximately RMB126.8 million as at 31 December 2022. Such decrease was mainly attributable to repayment of borrowings.

CONTINGENCIES

As at 31 December 2022, the Directors were not aware of any significant events that would have resulted in material contingent liabilities.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

DISTRIBUTABLE RESERVES

As at 31 December 2022, based on the financial information, the Company's reserves available for distribution to equity holders, comprising the share premium and accumulated loss, amounted to approximately RMB36.2 million (as at 31 December 2021: approximately RMB20.9 million).

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, revenue generated from the Group's five largest customers accounted for approximately 13.8% (2021: 35.9%) of the Group's total revenue and the revenue from the largest customer included therein accounted for approximately 6.2% (2021: 9.6%) of the Group's total revenue.

For the Reporting Period, supplies provided by the Group's five largest suppliers accounted for approximately 28.1% (2021: 36.3%) of the Group's total cost of sales and supplies provided by the largest supplier included therein accounted for approximately 9.1% (2021: 14.8%) of the Group's total cost of sales.

None of the Directors or any of their close associates or any shareholders of the Company (which, to the knowledge of the Directors, own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers and/or five largest suppliers for the Reporting Period.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group had a total of 785 employees (as at 31 December 2021: 287 employees).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and their remuneration structure comprising basic wage, allowances, benefits, and others, and grants employees share awards and share options as appropriate based on the assessment of individual performance. The Company has made contributions to, among others, social insurance, medical insurance, housing provident fund and mandatory provident fund on behalf of its employees in accordance with the relevant laws and regulations requirements of the PRC and Hong Kong.

Further details of the remuneration policies for the Directors will be set out in the 2022 annual report of the Company.

SHARE AWARD PLANS AND SHARE OPTION SCHEME

In order to recognise and reward the contribution of certain eligible participants to the growth and development of the Group, the Company adopted a share award plan on 24 March 2014 (the “**2014 Share Award Plan**”) and a share option scheme on 13 June 2014 (the “**2014 Share Option Scheme**”).

In July 2022, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) published consultation conclusions to its consultation paper “Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers” (the “**Consultation Conclusion**”). Pursuant to the Consultation Conclusion, Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) have been amended to govern both share option schemes and share award schemes with effect from 1 January 2023. In order to comply with the requirements of the new Chapter 17 of the Listing Rules which has become effective on 1 January 2023 (the “**New Chapter 17**”), the Company adopted a new share award plan (the “**2022 Share Award Plan**”) on 8 December 2022.

Having considered that awarded shares granted under the 2014 Share Award Plan will become immediately vested in the event of termination of the 2014 Share Award Plan in accordance with its rules, the Company decided not to terminate the 2014 Share Award Plan upon the adoption of the 2022 Share Award Plan in order to incentivise the grantees under the 2014 Share Award Plan to contribute to the long-term growth of the Group. The Company also undertakes that it will not issue further award shares under the 2014 Share Award Plan upon the adoption of the 2022 Share Award Plan. As the 2014 Share Option Scheme does not comply with the requirements of the New Chapter 17, it has been terminated by the Company upon the adoption of the 2022 Share Award Plan on 8 December 2022.

On 1 April 2022, the Board resolved to award an aggregate of 17,040,000 awarded shares (the “**2022 Awarded Shares**”) at nil consideration to eleven selected participants under the 2014 Share Award Plan. The 2022 Awarded Shares have been issued and allotted under the general mandate granted to the Directors by the shareholders of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 10 June 2021. Subject to the satisfaction of the vesting criteria and conditions of the 2014 Share Award Plan, the 2022 Awarded Shares shall be transferred from Teeroy Limited (the “**Trustee**”) to the selected participants upon expiry of the respective vesting period. As at the end of the Reporting Period, 2022 Awarded Shares have been fully issued to the Trustee. Save as disclosed above, no other award shares or share options were granted by the Company during the Reporting Period under the 2014 Share Award Plan, 2014 Share Option Scheme and 2022 Share Award Plan.

Further details of the 2014 Share Award Plan, the 2014 Share Option Scheme and the 2022 Share Award Plan will be set out in the 2022 annual report of the Company.

EVENTS AFTER THE REPORTING PERIOD

On 10 January 2023, the Company granted 74,471,230 awarded shares to 68 selected participants pursuant to the 2022 Share Award Plan. For further details, please refer to the announcement issued by the Company on 10 January 2023.

Reference is made to the Company’s announcements dated 9 November 2018, 4 December 2018, 8 July 2020, 9 February 2022 and 10 March 2023, respectively, relating to the disposal of Beijing Evertop Sports Culture Media Co., Ltd* (北京永達天恒體育文化傳媒有限公司) (“**Beijing Evertop**”) to Wanda Sports Co., Ltd* (萬達體育有限公司) (“**Wanda Sports**”). On 10 March 2023 (after trading hours), the parties entered into a supplemental agreement to the equity transfer agreement dated 9 November 2018. For further details, please refer to the announcement issued by the Company on 10 March 2023 and Note 11 of the Notes to Consolidated Financial Statements of this announcement.

Save as the aforesaid, the Company does not have any material subsequent events after the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

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CONSOLIDATED STATEMENT OF PROFIT OF LOSS

For the year ended 31 December 2022

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue	4	425,606	202,788
Cost of sales	5	<u>(227,358)</u>	<u>(138,451)</u>
Gross profit		198,248	64,337
Other (losses)/gains, net	4	(3,813)	4,228
Selling expenses	5	(70,860)	(10,929)
Administrative expenses	5	(107,847)	(76,172)
Loss allowance on trade receivables		(92)	(6,124)
Loss allowance on other receivables		(1,800)	–
Change in fair value of contingent consideration receivable	11(ii)	–	(17,755)
Provision for inventories		(8,452)	(4,006)
Impairment loss on goodwill	9	–	(7,128)
Impairment loss on interest in an associate		<u>–</u>	<u>(1,800)</u>
Operating profit/(loss)		5,384	(55,349)
Finance costs, net	6	(11,590)	(16,247)
Share of results of an associate		<u>150</u>	<u>(638)</u>
Loss before income tax		(6,056)	(72,234)
Income tax (expense)/credit	7	<u>(10,335)</u>	<u>3,510</u>
Loss for the year		<u>(16,391)</u>	<u>(68,724)</u>
Loss attributable to:			
Owners of the Company		(9,207)	(61,615)
Non-controlling interests		<u>(7,184)</u>	<u>(7,109)</u>
		<u>(16,391)</u>	<u>(68,724)</u>
Loss per share (expressed in RMB cents per share) — basic and diluted	8	<u>(0.80)</u>	<u>(5.83)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Loss for the year	<u>(16,391)</u>	<u>(68,724)</u>
Other comprehensive (loss)/income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	(3,351)	3,212
<i>Item that may not be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<u>(2)</u>	<u>(84)</u>
Total other comprehensive (loss)/income for the year	<u>(3,353)</u>	<u>3,128</u>
Total comprehensive loss for the year	<u><u>(19,744)</u></u>	<u><u>(65,596)</u></u>
Total comprehensive loss attributable to:		
Owners of the Company	(12,560)	(58,487)
Non-controlling interests	<u>(7,184)</u>	<u>(7,109)</u>
	<u><u>(19,744)</u></u>	<u><u>(65,596)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Note</i>	2022 RMB'000	2021 <i>RMB'000</i>
Assets			
Non-current assets			
Property, plant and equipment		30,811	30,326
Intangible assets	9	5,598	7,227
Right-of-use assets		16,302	4,923
Deferred income tax assets		–	1,013
Trade and other receivables	11	9,659	3,017
Interest in an associate		31,608	31,458
		<hr/>	<hr/>
Total non-current assets		93,978	77,964
Current assets			
Inventories		64,361	73,270
Other current assets		19,605	25,147
Trade and other receivables	11	217,142	134,434
Financial assets at fair value through profit or loss (“FVPL”)	10	–	51,002
Pledged bank deposits		892	801
Bank balances and cash		50,928	60,063
		<hr/>	<hr/>
Total current assets		352,928	344,717
		<hr/>	<hr/>
Total assets		446,906	422,681
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	12	10,667	8,694
Share premium		330,273	281,110
Other reserves		(47,479)	(35,869)
Accumulated losses		(200,166)	(188,135)
		<hr/>	<hr/>
		93,295	65,800
		<hr/>	<hr/>
Non-controlling interests		9,688	22,594
		<hr/>	<hr/>
Total equity		102,983	88,394
		<hr/>	<hr/>

	<i>Note</i>	2022 RMB'000	2021 <i>RMB'000</i>
Liabilities			
Non-current liabilities			
Bank and other borrowings	<i>13</i>	17,859	19,301
Convertible bonds	<i>14</i>	–	6,894
Lease liabilities		7,908	1,620
		<hr/>	<hr/>
Total non-current liabilities		25,767	27,815
		<hr/>	<hr/>
Current liabilities			
Contract liabilities		14,670	31,068
Trade and other payables	<i>15</i>	169,168	121,475
Current income tax liabilities		17,356	7,621
Bank and other borrowings	<i>13</i>	108,965	143,749
Lease liabilities		7,997	2,559
		<hr/>	<hr/>
Total current liabilities		318,156	306,472
		<hr/>	<hr/>
Total liabilities		343,923	334,287
		<hr/>	<hr/>
Total equity and liabilities		446,906	422,681
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Century Sage Scientific Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Starlink Vibrant Holdings Ltd., a company incorporated in the British Virgin Islands (the “**BVI**”) and wholly owned by an executive director of the Company, Mr. Li Jun, hold 24.67% of the Company’s shares issued as at 31 December 2022.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together the “**Group**”) are principally engaged in the provision of (i) new media services; (ii) application solutions; (iii) sales of self-developed products; and (iv) system maintenance services, for the all-media industry in the People’s Republic of China (the “**PRC**”). The Group has operations mainly in the PRC.

These consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousands (“**000**”), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

2.1 Basis of preparation

(a) *Statement of compliance*

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(b) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for contingent consideration receivable and financial assets at FVPL, which are measured at fair value.

(c) *New and amended standards adopted by the Group*

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021
Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs	2018–2020 Cycle

Amendments to HKFRS 16: Covid-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

Amendments to HKAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of HKAS 2.

Amendments to HKAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

Annual Improvements Project — 2018–2020 Cycle

HKFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of HKFRS 1 for a subsidiary that becomes a first-time adopter of HKFRSs later than its parent — i.e. if a subsidiary adopts HKFRSs later than its parent and applies HKFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent’s date of transition to HKFRSs.

HKFRS 9: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

This amendment clarifies that — for the purpose of performing the “10 per cent test” for derecognition of financial liabilities — in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

HKFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

(d) *New standards and interpretations not yet adopted*

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted

Amendments to HKAS 1	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
HKFRS 17	Insurance Contracts ¹
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ The effective date to be determined

The Group is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRSs. So far the management is of the opinion that the adoption of the new/revised HKFRSs will not have any significant impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) mainly include the board of directors of the Company, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the CODM considers the business from both business and geographical perspective.

The Group has the following reportable segments during the year:

- New media services
- Application solutions
- Sales of self-developed products
- System maintenance services

Inter-segment revenue and transfers are transacted with reference to the cost of sales and are eliminated on consolidation.

The CODM assesses the performance of the operating segments mainly based on segment revenue, gross profit and impairment on non-current assets of each operating segment. The selling expenses, administrative expenses and finance costs, net are common costs incurred for the operating segment as a whole and therefore they are not included in the measure of the segments' performance which is used by the CODM.

The segment information provided to the CODM for the reportable segments during the year is as follows:

For the year ended 31 December 2022

	New media services <i>RMB'000</i>	Application solutions <i>RMB'000</i>	Sales of self- developed products <i>RMB'000</i>	System maintenance services <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue (from external customers)	302,511	73,962	35,540	13,593	–	425,606
— Inter-segment revenue	–	–	6,795	–	(6,795)	–
Total revenue	<u>302,511</u>	<u>73,962</u>	<u>42,335</u>	<u>13,593</u>	<u>(6,795)</u>	<u>425,606</u>
Results						
Segment profit	<u>155,087</u>	<u>13,321</u>	<u>23,410</u>	<u>6,430</u>	–	198,248
Unallocated income						2,766
Unallocated expenses						(187,159)
Loss allowance on trade receivables						(92)
Loss allowance on other receivables						(1,800)
Share of results of an associate						150
Gain on disposal of a subsidiary						5,560
Fair value losses on financial assets at FVPL						(12,139)
Finance costs, net						<u>(11,590)</u>
Loss before income tax						(6,056)
Income tax expense						<u>(10,335)</u>
Loss for the year						<u><u>(16,391)</u></u>

For the year ended 31 December 2021

	New media services <i>RMB'000</i>	Application solutions <i>RMB'000</i>	Sales of self- developed products <i>RMB'000</i>	System maintenance services <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue (from external customers)	22,001	121,390	47,409	11,988	–	202,788
— Inter-segment revenue	–	–	4,042	–	(4,042)	–
Total revenue	<u>22,001</u>	<u>121,390</u>	<u>51,451</u>	<u>11,988</u>	<u>(4,042)</u>	<u>202,788</u>
Results						
Segment profit	<u>11,132</u>	<u>17,470</u>	<u>22,169</u>	<u>6,438</u>	<u>–</u>	57,209
Unallocated income						5,440
Unallocated expenses						(91,129)
Loss allowance on trade receivables						(6,124)
Change in fair value of contingent consideration receivable						(17,755)
Impairment loss on interest in an associate						(1,800)
Share of results of an associate						(638)
Gain on disposal of a subsidiary						87
Fair value losses on financial assets at FVPL						(1,277)
Finance costs, net						<u>(16,247)</u>
Loss before income tax						(72,234)
Income tax credit						<u>3,510</u>
Loss for the year						<u>(68,724)</u>
Other segment information:						
Impairment loss on goodwill	<u>–</u>	<u>–</u>	<u>(7,128)</u>	<u>–</u>	<u>–</u>	<u>(7,128)</u>

Information about major customers

No revenue from any customer individually accounted for 10% or more of the Group's revenue for the year ended 31 December 2022 and 2021.

The Group's revenue was principally derived from the business carried out in the PRC. The revenue from external customers in the PRC and other countries and districts are disclosed as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	418,698	192,262
Hong Kong	6,908	10,146
Others	–	380
	425,606	202,788
	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>

Total of non-current assets other than deferred income tax assets,
trade and other receivables and interest in an associate

The PRC	52,022	42,089
Hong Kong	689	387
	52,711	42,476

4. REVENUE AND OTHER (LOSSES)/GAINS, NET

Revenue represents the net invoiced value of services provided or goods sold, after allowances for returns and trade discounts, during the year.

An analysis of the Group's revenue is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
New media services	302,511	22,001
Application solutions	73,962	121,390
Sales of self-developed products	35,540	47,409
System maintenance services	13,593	11,988
	<u>425,606</u>	<u>202,788</u>
Timing of revenue recognition		
At a point in time	412,013	190,800
Over time	13,593	11,988
	<u>425,606</u>	<u>202,788</u>

The revenue from contracts with customers within HKFRS 15 is based on fixed price.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other gains		
Gain on disposal of a subsidiary (<i>note 17</i>)	5,560	87
Government grants	214	599
Value added tax refund	2,527	4,512
Others	25	329
	<u>8,326</u>	<u>5,527</u>
Other losses		
Fair value losses on financial assets at FVPL (<i>note 10</i>)	(12,139)	(1,277)
Loss on disposal of property, plant and equipment	–	(22)
	<u>(12,139)</u>	<u>(1,299)</u>
Other (losses)/gains, net	<u>(3,813)</u>	<u>4,228</u>

5. EXPENSES BY NATURE

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cost of services	140,046	3,546
Employee benefits expenses	134,388	57,289
Costs of inventories*	81,206	128,206
Legal fee and professional charges	8,592	7,627
Amortisation of deferred day-one loss (<i>note 14</i>)	6,546	2,294
Office expenses	5,613	3,818
Depreciation expenses of right-of-use assets	4,258	3,049
Depreciation expenses of property, plant and equipment	3,950	3,575
Servicing and agency costs	3,836	655
Travelling and transportation expenses	3,470	3,089
Others	3,226	2,702
Amortisation expenses of intangible assets (<i>note 9</i>)	3,198	2,962
Leases expenses under short term leases	2,279	355
Other transaction taxes	2,012	2,002
Auditor's remuneration	1,750	1,650
Business development	1,695	2,733
	<u>406,065</u>	<u>225,552</u>

* Cost of inventories includes RMB1,877,000 (2021: RMB2,270,000) relating to employee benefits expenses.

6. FINANCE COSTS, NET

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Finance income		
— Interest income on short-term bank deposits	<u>230</u>	<u>33</u>
Finance costs		
— Interest expenses on bank and other borrowings	(11,092)	(13,076)
— Interest expenses on amount due to a related company/a shareholder	(430)	(403)
— Interest expenses on convertible bonds (<i>note 14</i>)	(2,298)	(727)
— Interest expenses on lease liabilities	(238)	(152)
— Interest expenses on amounts due to a director	(356)	(182)
— Net foreign exchange gain/(loss)	<u>2,594</u>	<u>(1,740)</u>
	<u>(11,820)</u>	<u>(16,280)</u>
Finance costs, net	<u>(11,590)</u>	<u>(16,247)</u>

7. INCOME TAX EXPENSE/(CREDIT)

	2022 RMB'000	2021 RMB'000
PRC enterprise income tax (“EIT”)		
— Current income tax	13,156	936
— Over-provision in prior years	<u>(2,821)</u>	<u>(4,284)</u>
	10,335	(3,348)
Deferred income tax	<u>—</u>	<u>(162)</u>
Income tax expense/(credit)	<u>10,335</u>	<u>(3,510)</u>

Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands and accordingly, is exempted from the Cayman Islands income tax.

BVI income tax

Some of the subsidiaries of the Group, incorporated in BVI as exempted companies with limited liability under the Companies Law of BVI, are exempted from BVI income tax.

Hong Kong profits tax

Entities of the Group incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% for the year ended 31 December 2022 (2021: 16.5%) on the estimated assessable profit for the year. Hong Kong profits tax has not been provided as the Group incurred a loss for taxation purposes during both years.

PRC EIT

Entities of the Group incorporated in the PRC are subject to EIT. According to the EIT law effective from 1 January 2008, all PRC enterprises are subject to a standard EIT rate of 25%, except for enterprises which are allowed to enjoy the preferential policies and provisions as discussed below:

Cogent (Beijing), Beijing Century Sage Scientific System and Technology Company Limited* (北京世紀睿科系統技術有限公司), Times Sage (Beijing) Tech Company Limited* (時代華睿(北京)科技有限公司), Beijing BroadVision and Beijing Gefei Technology Co., Limited* (北京格非科技股份有限公司) (2021: *the same*) obtained the High and New Technology Enterprise qualification. A reduced tax rate of 15% (2021: 15%) for the period of three years was granted as long as those PRC subsidiaries meet the high-tech enterprise qualification.

* *The official names are in Chinese and the English names are translated for identification purpose only.*

According to the Notice on the Implementation of the Micro-enterprise Universal Tax Relief in accordance with the Regulations of Ministry of Finance and the State Administration of Taxation (Caishui [2019] No. 13) (《關於實施小微企業普惠性稅收減免政策的通知》), Hangzhou Juhuo Interactive Culture Communication Co., Ltd.* (杭州聚火互動文化傳播有限公司) could enjoy an EIT at 20% on the assessable profits below RMB1,000,000 after reduction of 75% of assessable profits and an EIT tax rate of 20% on the assessable profits between RMB1,000,000 to RMB3,000,000 after reduction of 50% of assessable profits.

PRC withholding tax

In addition, according to the EIT law, dividends, interests, rent, royalties and gains on transfers of property received by a foreign enterprise, i.e., a non-China tax resident enterprise, will be subject to PRC withholding tax at 10% or a reduced treaty rate depending on provisions of tax treaty entered between the PRC and the jurisdiction where the foreign enterprise incorporated. The withholding tax rate is 5% for the holding company in Hong Kong if the parent company is the beneficial owner of the dividend received from the invested enterprises in the PRC and obtained the approval of enjoying the treaty rate from the PRC tax authorities. The withholding tax imposed on the dividend income received from the Group's PRC entities will reduce the Company's net income.

8. LOSS PER SHARE

(a) Basic

Basic loss per share for the years ended 31 December 2022 and 2021 are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	2022	2021
Loss attributable to owners of the Company (in RMB'000)	<u>(9,207)</u>	<u>(61,615)</u>
Weighted average number of ordinary shares in issue (in thousand)	<u>1,151,978</u>	<u>1,056,527</u>
Basic loss per share (RMB cents per share)	<u>(0.80)</u>	<u>(5.83)</u>

(b) Diluted

Potential dilutive ordinary shares are not included in the calculation of diluted loss per share because they are anti-dilutive. Therefore, the diluted loss per share equals the basic loss per share.

* The official name is in Chinese and the English name is translated for identification purpose only.

9. INTANGIBLE ASSETS

	Goodwill RMB'000 (note a)	Computer software RMB'000	Customer relationships RMB'000	Technical know-how RMB'000	Development costs RMB'000	Total RMB'000
Reconciliation of carrying amount						
— year ended 31 December 2021						
As at 1 January 2021	7,128	7,759	2,228	441	–	17,556
Disposal of a subsidiary	–	–	–	(239)	–	(239)
Amortisation	–	(1,598)	(1,189)	(175)	–	(2,962)
Impairment	(7,128)	–	–	–	–	(7,128)
As at 31 December 2021	–	6,161	1,039	27	–	7,227
Reconciliation of carrying amount						
— year ended 31 December 2022						
As at 1 January 2022	–	6,161	1,039	27	–	7,227
Addition	–	2,361	–	–	–	2,361
Disposal of a subsidiary (note 17)	–	–	(792)	–	–	(792)
Amortisation	–	(2,924)	(247)	(27)	–	(3,198)
As at 31 December 2022	–	5,598	–	–	–	5,598
As at 31 December 2021						
Cost	8,912	15,771	7,727	3,104	202	35,716
Accumulated amortisation	–	(9,610)	(6,688)	(3,077)	(202)	(19,577)
Accumulated impairment	(8,912)	–	–	–	–	(8,912)
Net book value	–	6,161	1,039	27	–	7,227
As at 31 December 2022						
Cost	–	18,132	–	–	202	18,334
Accumulated amortisation	–	(12,534)	–	–	(202)	(12,736)
Net book value	–	5,598	–	–	–	5,598

Amortisation expense of RMB3,198,000 (2021: RMB2,962,000) for the year ended 31 December 2022 has been charged in administrative expenses.

(a) Goodwill

CGU of Beijing BroadVision

The goodwill arising from acquisition of Beijing BroadVision of RMB8,912,000 has been fully impaired in previous years. The goodwill has been derecognised upon disposal of Beijing BroadVision during the year ended 31 December 2022 (note 17).

10. FINANCIAL ASSETS AT FVPL

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
At beginning of the year	51,002	52,279
Fair value change	(12,139)	(1,277)
Disposal	(38,863)	—
	<u> </u>	<u> </u>
At end of the year	<u> </u> <u> </u>	<u> </u> <u> </u>

The amount represented the fair value of the key-man life insurance policies. The Group was the beneficiary of the insurance policies. As at 31 December 2021, the insurance policies were pledged to the bank as securities for bank borrowings as disclosed in note 13(d).

The Group can terminate the policy at any time, and the insurance contract value, net of a surrender charge, would be refunded to the Group. The Group has surrendered the key-man life insurance policies and received the remaining value of such policies of RMB38,863,000 during the year.

11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables			
— from third parties		200,022	154,965
— from an associate		3,667	3,671
		<u>203,689</u>	<u>158,636</u>
	<i>(i)</i>	203,689	158,636
Less: provision for impairment of trade receivables		(50,195)	(57,101)
Trade receivables, net		<u>153,494</u>	<u>101,535</u>
Other receivables			
Deposit for guarantee certificate over tendering and performance		39,809	16,384
Deposit paid for acquisition of a subsidiary		16,934	16,934
Cash advance to employees		4,650	6,556
Contingent consideration receivable	<i>(ii)</i>	—	—
Due from related parties	<i>(iii)</i>	6,047	2,578
Receivable from disposal of Shanghai Cogent Info-Tech Co., Limited		—	1,200
Receivable from disposal of a subsidiary (<i>note 17</i>)	<i>(iv)</i>	3,602	—
Amount due from a third party	<i>(v)</i>	7,000	—
Other deposits paid		5,305	897
Others		8,694	8,301
		<u>92,041</u>	<u>52,850</u>
Less: provision for impairment of deposits paid for acquisition of a subsidiary		(16,934)	(16,934)
Less: provision for impairment of other receivables		(1,800)	—
Less: provision for impairment of other receivables		(18,734)	(16,934)
		<u>73,307</u>	<u>35,916</u>
Total trade and other receivables		<u>226,801</u>	<u>137,451</u>
Less: Non-current portion			
Receivable from disposal of a subsidiary	<i>(iv)</i>	3,602	—
Other deposits paid		4,027	—
Trade receivables — third parties	<i>(i)</i>	2,084	3,071
Less: provision for impairment of trade receivables		(54)	(54)
Non-current portion		<u>9,659</u>	<u>3,017</u>
Current portion		<u>217,142</u>	<u>134,434</u>

As at 31 December 2022 and 2021, the fair values of trade and other receivables of the Group approximate their carrying amounts.

Notes:

- (i) Invoices issued to our customers (both third parties and an associate) are payable on issuance and no credit terms are stipulated in our project contracts and service agreement for new media services generally. The majority of the Group’s trade receivables will be settled from three months to two years based on the historical record. The Group has put in place control measures so that our accounting and finance department will keep regular tracking of outstanding receivables, and our head of sale department would supervise our sale personnel to closely monitor and follow up with our customers on settlement of the outstanding receivables.

The ageing analysis of the trade receivables based on invoice date is as follows:

	2022 <i>RMB’000</i>	2021 <i>RMB’000</i>
Up to 3 months	81,240	15,718
Over 3 months but less than 6 months	9,237	3,406
Over 6 months but less than 1 year	19,981	47,944
Over 1 year but less than 2 years	27,577	19,216
Over 2 years but less than 3 years	14,778	11,561
Over 3 years	50,876	60,791
	<u>203,689</u>	<u>158,636</u>

The Group applies simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

- (ii) The amount represented contingent receivable for disposal of Beijing Evertop in 2018. The contingent consideration receivable will be settled only when the profits after tax of Beijing Evertop for the three years ended 31 December 2020 (“**Profit Guarantee Period**”) shall not be less than RMB30,000,000 (the “**Target Profits**”) in aggregate.

In view of the coronavirus outbreak in the PRC since early 2020, there has been disruption in the general business operation environment in the PRC, especially to the sports industry, and the business performance of Beijing Evertop was affected. On 8 July 2020, the Group and Wanda Sports entered into a supplemental agreement to the equity transfer agreement dated 9 November 2018 pursuant to which the parties agreed to amend, inter alia, the Profit Guarantee Period from the three years ended 31 December 2020 to the two years ended 31 December 2019 together with the year ended 31 December 2021 (“**Revised Profit Guarantee Period**”).

On 9 February 2022, the Group and Wanda Sports entered into second supplemental agreement to the equity transfer agreement dated 9 November 2018 pursuant to which the parties agreed to amend, inter alia, the Revised Profit Guarantee Period from the two years ended 31 December 2019 together with the year ended 31 December 2021 to the two years ended 31 December 2019 together with the year ending 31 December 2022 (“**Second Revised Profit Guarantee Period**”). In the event that Beijing Evertop generates profits exceeded RMB21,000,000 (the “**Minimum Profit Target**”) but less than the Target Profits during the Second Revised Profit Guarantee Period, the consideration shall be adjusted downwards, or additional equity interests in Beijing Evertop shall be transferred to Wanda Sports at the election of Wanda Sports.

As at 31 December 2022, the Group has failed to achieve the Target Profits or Minimum Profit Target during the Second Revised Profit Guarantee Period. As such, there was no change in fair value of the contingent consideration receivable during the year ended 31 December 2022 (2021: a fair value loss on the contingent consideration receivable of RMB17,755,000 was recognised in the consolidated statement of profit or loss).

Subsequent to the end of the Reporting Period, the Group and Wanda Sports, after considered the continuous coronavirus outbreak in the PRC remain affecting the sport industry and adversely affect the business performance of Beijing Evertop, entered into the third supplemental agreement to the equity transfer agreement dated 9 November 2018 pursuant to which the parties agreed to amend, inter alia, the Second Revised Profit Guarantee Period from the two years ended 31 December 2019 together with the year ended 31 December 2022 to the two years ended 31 December 2019 together with the year ending 31 December 2023 (“**Third Revised Profit Guarantee Period**”), and deducting 55% of the actual net loss (if any) of Beijing Evertop for the year ended 31 December 2022 as set out in its 2022 audited financial statement.

In the event that the actual profit of Beijing Evertop does not meet the Minimum Profit Target during the Third Revised Profit Guarantee Period, Wanda Sports shall have the right to request the refund of the total consideration paid of RMB24,900,000 together with interest at the rate of 10% per annum.

Details of the third supplemental agreement are set out in the Company’s announcement dated 10 March 2023.

(iii) The amounts due are unsecured, interest-free and repayable on demand.

Details of amounts due from related companies are as follows:

	Note	As at 31 December		Maximum amount During the year ended 31 December	
		2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
北京世紀睿科工程技術有限公司	(a)	5,071	1,091	5,071	1,091
北京格非信息技術有限公司	(b)	976	1,487	1,487	1,487
		<u>6,047</u>	<u>2,578</u>		

Notes:

- (a) Mr. Lo Chi Sum (“**Mr. Lo**”), an executive director of the Company, has direct beneficial interests in, and control over, the related company.
- (b) Certain directors of a non-wholly owned subsidiary have direct beneficial interests in, and control over, the related company.
- (iv) The amount due is unsecured, interest-free and repayable on or before 29 April 2027.
- (v) The amount due is unsecured, interest bearing of 1% per annum and repayable on 30 June 2023.

12. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HKD'000
Authorised:		
Ordinary shares of HKD0.01 each		
As at 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	<u>5,000,000,000</u>	<u>50,000</u>

Ordinary shares of HKD0.01 each, issued and fully paid:

	Number of ordinary shares	Nominal value of ordinary shares <i>HKD'000</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>
Balance as at 1 January 2021	1,041,243,169	10,412	8,290
Exercise of share options	48,640,000	487	404
Balance as at 31 December 2021 and as at 1 January 2022	1,089,883,169	10,899	8,694
Issue of new shares for the Share Award Plan	17,040,000	170	139
Conversion of convertible bonds	204,347,826	2,043	1,834
Balance as at 31 December 2022	<u>1,311,270,995</u>	<u>13,112</u>	<u>10,667</u>

13. BANK AND OTHER BORROWINGS

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Bank borrowings, unsecured and guaranteed	<i>(a)</i>	11,091	3,381
Bank borrowings, secured and guaranteed	<i>(b)</i>	29,500	31,000
Bank borrowings, unsecured and unguaranteed	<i>(c)</i>	7,000	11,386
Bank borrowings, secured and unguaranteed	<i>(d)</i>	–	18,022
Other borrowings, unsecured and guaranteed	<i>(e)</i>	9,165	15,000
Other borrowings, unsecured and unguaranteed	<i>(f)</i>	70,068	73,754
Loan from a director, unsecured and unguaranteed	<i>(g)</i>	–	5,000
Bank and other borrowings		126,824	157,543
Bank overdrafts, unsecured and unguaranteed	<i>(h)</i>	–	5,507
		<u>126,824</u>	<u>163,050</u>
Non-current		17,859	19,301
Current		108,965	143,749
		<u>126,824</u>	<u>163,050</u>

(a) Bank borrowings, unsecured and guaranteed

The bank borrowings are unsecured, bear interest (i) at fixed rate of 4.3% per annum; (ii) at the prevailing interest rate of 台灣央行專案融通利率 plus 1.4% per annum (2021: (i) at fixed rate of 5.95% per annum; or (ii) at the prevailing interest rate of 台灣央行專案融通利率 plus 1.4% per annum).

The bank borrowings of RMB10,000,000 (2021: RMB2,000,000) are guaranteed by non-controlling shareholders of a subsidiary, which are wholly repayable within one year.

The remaining bank borrowings of RMB1,091,000 (2021: RMB1,381,000) are guaranteed by Mr. Lo and a director of a subsidiary and repayable in December 2026.

(b) Bank borrowings, secured and guaranteed

The bank borrowings bear interest at the prevailing interest rate of Loan Prime Rate (“LPR”) in the PRC (2021: at the prevailing interest rate of LPR in the PRC).

The bank borrowings are secured by the buildings with carrying amount of RMB25,333,000 (2021: RMB27,960,000) and are guaranteed by an independent third party, Beijing Zhongguancun Sci-Tech Financing Guaranty Co., Ltd. (2021: the same). The bank borrowings are wholly repayable within one year.

(c) Bank borrowings, unsecured and unguaranteed

The bank borrowings are unsecured, bear interest at fixed rates ranging from 3.5% to 4.3% per annum (2021: (i) at The Hong Kong Interbank Offered Rate (“HIBOR”) plus 4% per annum; or (ii) at fixed rates ranging from 3.5% to 4.25% per annum). The bank borrowings are wholly repayable within one year.

(d) Bank borrowings, secured and unguaranteed

As at 31 December 2021, the bank borrowings were secured by the key-man life insurance policies included in financial assets at FVPL with carrying amount of RMB51,002,000. The bank borrowings bore interest at The London Interbank Offered Rate plus 1% per annum and was repaid during the year.

(e) Other borrowings, unsecured and guaranteed

The other borrowings are unsecured, bear interest at fixed rate of 2% per month (2021: the same) and are guaranteed by a non-controlling shareholder of a subsidiary and a related company (2021: the same). An amount of RMB5,835,000 was repaid during the year and the repayment date of the remaining balance of RMB9,165,000 has been extended to 31 December 2023.

(f) Other borrowings, unsecured and unguaranteed

The other borrowings are unsecured, bear interest at rates ranging from 1% to 12% per annum (2021: 1% to 12% per annum). As at 31 December 2022, amount of RMB53,300,000 (2021: RMB55,834,000) included in the balance are repayable within one year and classified as current liabilities. The remaining balance of RMB16,768,000 (2021: RMB17,920,000) (denominated in JPY) is repayable in June 2025.

(g) Loan from a director, unsecured and unguaranteed

The loan from Ms. Zhao Hui Li, an executive director of the Company, was unsecured, bore interest at fixed rate of 1% per annum and was repaid during the year.

(h) Bank overdrafts, unsecured and unguaranteed

The bank overdrafts bore interest at the Hongkong and Shanghai Banking Corporation Limited's HKD Best Lending rate plus 0.5% per annum and was fully repaid during the year.

14. CONVERTIBLE BONDS

On 30 July 2021, the Company, as the issuer, entered into a subscription agreement (the "**Subscription Agreement**") with three subscribers (the "**Subscribers**"), pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for the convertible bonds in the principal amount of HKD47,000,000 (equivalent to approximately RMB39,026,000), at the initial conversion price of HKD0.23 per share (the "**Subscription**"). The Subscription was completed on 27 September 2021. The bondholders have the right, during the period between the issuance date and the date falling on the third anniversary from the issuance date (both dates inclusive), to convert the whole or part of the principal amount of the convertible bonds into the conversion shares at the conversion price.

The convertible bonds are unsecured, interest-bearing at 1% per annum and have a term of 3 years.

If any of the events specified in the Subscription Agreement occurs, the bondholder may give notice to the Company to early redeem the convertible bonds and the Company shall redeem all outstanding convertible bonds held by such bondholder at their face value (plus the accrued but unpaid interest) in advance.

The shares to be allotted and issued upon conversion of the convertible bonds will be duly and validly issued as fully paid and free from any encumbrance and will rank at least pari passu with all other shares then in issue.

The effective interest rate of the liability component of the convertible bonds on initial recognition, which excluded the impact of the deferred day-one loss, is 9.49% per annum and is subsequently carried at amortised cost.

In September and October 2022, the Subscribers have exercised the conversion rights attached to the convertible bonds, and the Company has issued and allotted 147,846,853 and 56,500,973 shares respectively.

The movements of liability component at amortised costs of the convertible bonds is as follows:

	Liability component RMB'000	Deferred day-one loss RMB'000	Total RMB'000
Carrying amount as at 1 January 2022	30,874	(23,980)	6,894
Interest charged for the year (note 6)	2,298	–	2,298
Amortisation of deferred day-one loss (note 5)	–	6,546	6,546
Exchange realignments	3,835	(2,940)	895
Conversion of convertible bonds	(37,007)	20,374	(16,633)
Carrying amount as at 31 December 2022	–	–	–
	Liability component RMB'000	Deferred day-one loss RMB'000	Total RMB'000
Fair value of liability component at the inception date	30,752	–	30,752
Day-one loss of newly issued convertible bonds at inception not recognised in profit or loss	–	(26,689)	(26,689)
Interest charged for the year (note 6)	727	–	727
Interest payables on convertible bonds included in other payables	(100)	–	(100)
Amortisation of deferred day-one loss (note 5)	–	2,294	2,294
Exchange realignments	(505)	415	(90)
Carrying amount as at 31 December 2021	30,874	(23,980)	6,894

15. TRADE AND OTHER PAYABLES

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables			
— to third parties		51,663	39,118
— to an associate		<u>12,894</u>	<u>13,115</u>
	(a)	<u>64,557</u>	<u>52,233</u>
Other payables			
Other taxes payables		24,424	19,962
Employee benefits payables		31,856	14,858
Due to an associate	(b)	3,651	2,601
Due to a director	(c)	4,477	5,555
Due to a related company/a shareholder	(d)	9,710	4,011
Accrual for professional service fees		1,750	1,650
Interest payables		16,736	10,759
Loans from third parties	(e)	8,500	8,500
Others		<u>3,507</u>	<u>1,346</u>
		<u>104,611</u>	<u>69,242</u>
		<u><u>169,168</u></u>	<u><u>121,475</u></u>

Notes:

- (a) The credit period of trade payables is normally within 60 (2021: 60) days. The ageing analysis of the trade payables based on invoice date is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 3 months	27,581	23,137
Over 3 months but within 6 months	6,475	1,140
Over 6 months but within 1 year	2,496	7,377
Over 1 year but within 2 years	14,871	9,682
Over 2 years but within 3 years	7,351	7,481
Over 3 years	<u>5,783</u>	<u>3,416</u>
	<u><u>64,557</u></u>	<u><u>52,233</u></u>

- (b) The amounts due to Beijing Evertop are unsecured, interest-free and repayable on demand.
- (c) The balance represents the amounts due to Mr. Lo. As at 31 December 2022, except for balance of RMB912,000 (2021: RMB556,000) which is interest-free, the balance is unsecured, bear interest at rate of 5.25% per annum (2021: the same) and repayable on demand.

- (d) The balance represents the amount due to Cerulean Coast Limited, a company wholly-owned by Mr. Lo. As at 31 December 2022, except for the balance of RMB2,229,000 (2021: RMB1,799,000) which is interest-free, the balance is unsecured, bears interest at rate of 5.25% per annum (2021: *the same*) and repayable on demand.
- (e) The loans are unsecured, interest-free and repayable within one year.

16. DIVIDENDS

The directors of the Company do not recommend payment of any final dividend for the year ended 31 December 2022 (2021: *Nil*).

17. DISPOSAL OF A SUBSIDIARY

As at 31 December 2021, the Group indirectly held 55% of the equity interests in Beijing BroadVision.

On 29 April 2022, the Group disposed of its 55% equity interests in Beijing BroadVision to a party, who was originally interested as to 35% of the equity interest in Beijing BroadVision, at a total consideration of RMB10,639,000. The details of the disposal are detailed in the Company's announcement dated 29 April 2022.

The consideration, which comprises of the following:

- (i) RMB6,037,000, being the total amount due to the Beijing BroadVision by the Group, which shall be set-off in full;
- (ii) RMB1,000,000, in cash shall be repayable on 29 May 2022; and
- (iii) RMB3,602,000, in cash shall be repayable on 29 April 2027. In the event that the payment does not settled, the Group shall have the right to demand the transfer of 19% of the equity interest in Beijing BroadVision to the Group within 30 days after serving written notice.

Beijing BroadVision was principally engaged in research and development of TV broadcasting and multi-media production in the PRC.

The details are as follows:

	<i>RMB'000</i>
Net assets disposed of:	
Property, plant and equipment	314
Intangible assets (<i>note 9</i>)	792
Right-of-use assets	1,646
Deferred income tax assets	1,013
Inventories	11
Trade and other receivables	14,535
Bank balances and cash	256
Trade and other payables	(5,709)
Lease liabilities	(1,669)
Contract liabilities	(388)
	<hr/>
Total identifiable net assets	10,801
	<hr/> <hr/>
Total identifiable net assets attribute to owner of the Company	5,079
	<hr/>
Gain on disposal of a subsidiary (<i>note 4</i>)	5,560
	<hr/>
Total consideration	10,639
	<hr/> <hr/>
Analysis of net inflow of cash and cash equivalents in respect of disposal of a subsidiary:	
Cash consideration received	1,000
Bank balances and cash disposed	(256)
	<hr/>
	744
	<hr/> <hr/>

OTHER INFORMATION

Corporate Governance

Throughout the Reporting Period, the Company continued to apply the principles set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance.

The Directors consider that the Company had complied with all the applicable code provisions of the CG Code during the Reporting Period, save as the following:

- Under the code provision C.2.1 of Part 2 of the CG code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Currently, the roles of the chairman of the Board and the chief executive officer of the Company (the “**CEO**”) are not separated and are performed by the same individual, Mr. Lo Chi Sum, who acted as both the chairman of the Board and CEO throughout the Reporting Period. The Directors will meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Group and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

Model Code For Directors’ Securities Transactions

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”) (with certain modifications).

The Company has made specific enquiry of all Directors and all Directors have confirmed with the Company that they complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the Reporting Period.

Scope of Work of 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 2022 as set out in this preliminary results announcement have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2022. The work performed by Mazars CPA Limited 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 HKICPA and consequently no assurance has been expressed by Mazars CPA Limited on this preliminary results announcement.

Publication

This final results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.css-group.net) respectively. The 2022 annual report of the Company will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 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.