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**南京三寶科技股份有限公司**  
**NANJING SAMPLE TECHNOLOGY CO.,LTD.\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1708)**

**SUPPLEMENTARY ANNOUNCEMENT IN RELATION TO  
ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

References are made to (i) the annual results announcement published by Nanjing Sample Technology Co., Limited\* (the “**Company**”, together with its subsidiaries, the “**Group**”) on 31 May 2020 in respect of the audited consolidated results of the Group for the year ended 31 December 2019 (the “**Year**”) (the “**Annual Results Announcement**”); and (ii) the announcement published by the Company on 31 March 2020 in respect of the unaudited results of the Group for the Year (the “**Unaudited Financial Results Announcement**”). Terms used herein shall have the same meanings as defined in the Annual Results Announcement unless otherwise stated.

As the financial information contained in the Unaudited Financial Results Announcement was neither audited nor agreed by Da Hua Certified Public Accountants (Special General Partnership), the Company’s auditors, as at the date of its publication, and adjustments were made to such information subsequently, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and the audited annual results of the Group. The Board hereby describes the reasons for such differences which it considers to be significant.

# CONSOLIDATED BALANCE SHEET

At 31 December 2019

	2019 (Audited) RMB	2019 (Unaudited) RMB	Difference RMB	Notes
<b>Current assets:</b>				
Notes receivable	576,000.00	1,070,000.00	-494,000.00	1
Accounts receivable	1,114,075,029.94	1,139,017,401.30	-24,942,371.36	2
Receivables financing	1,220,000.00	720,000.00	500,000.00	1
Prepayments	206,861,485.08	207,226,474.72	-364,989.64	3
Other receivables	139,362,794.66	142,540,415.81	-3,177,621.15	4
Contract assets	1,149,189,607.89	1,127,588,261.00	21,601,346.89	5, 15
Non-current assets due within one year	-	16,483,024.28	-16,483,024.28	6
Other current assets	50,252,379.01	35,093,843.40	15,158,535.61	6
<b>Non-current assets:</b>				
Long-term equity investments	14,034,388.49	466,539,372.92	-452,504,984.43	7
Other equity instruments investment	679,253,400.00	226,119,781.74	453,133,618.26	7
Other non-current financial assets	125,359,255.07	124,691,142.39	668,112.68	8
Fixed assets	294,887,205.17	312,950,794.46	-18,063,589.29	9
Intangible assets	11,173,166.61	12,647,450.58	-1,474,283.97	10
Goodwill	526,438.04	-	526,438.04	11
Long-term deferred expenses	2,182,783.12	2,782,783.12	-600,000.00	12
Deferred income tax assets	49,419,949.36	54,539,859.72	-5,119,910.36	13
<b>Current liabilities:</b>				
Short-term borrowings	680,071,088.70	679,303,956.63	767,132.07	14
Accounts payable	898,959,973.99	893,122,235.98	5,837,738.01	2, 3
Contract liabilities	131,652,689.48	132,980,123.11	-1,327,433.63	15
Payroll payables	4,804,999.97	4,685,579.97	119,420.00	16
Taxes payable	26,958,471.76	37,531,949.84	-10,573,478.08	17
Other payables	36,026,989.45	67,139,489.55	-31,112,500.10	2
Non-current liabilities due within one year	356,946,404.90	344,640,000.00	12,306,404.90	18
Other current liabilities	25,907,029.50	14,451,187.13	11,455,842.37	17
<b>Non-current liabilities:</b>				
Long-term borrowings	136,512,056.75	148,062,056.75	-11,550,000.00	18
Deferred income	27,140,354.72	21,377,779.50	5,762,575.22	19
Deferred income tax liabilities	12,455,217.94	12,334,322.88	120,895.06	20

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	2019 (Audited) RMB	2019 (Unaudited) RMB	Difference RMB	Notes
Financial expenses	67,838,828.28	67,394,501.42	444,326.86	21
Other income	13,094,118.16	18,856,693.38	-5,762,575.22	19
Investment income (with “-” for losses)	-5,385,066.67	-4,494,076.77	-890,989.90	22
Investment income from associates and joint ventures	-7,616,321.07	-3,823,364.96	-3,792,956.11	22
Gain on fair value change (with “-” for losses)	7,932,904.53	7,340,973.39	591,931.14	8
Credit impairment loss (with “-” for losses)	-56,469,888.08	-74,757,428.14	18,287,540.06	5
Asset impairment loss (with “-” for losses)	-20,060,805.42	-441,938.13	-19,618,867.29	9
Income on disposal of assets (with “-” for losses)	1,331,128.22	504,252.20	826,876.02	23
Income tax expenses	25,999,536.81	19,929,374.67	6,070,162.14	24

### Notes:

1. Mainly due to the classification of certain notes receivable to receivables financing based on the holding purpose of the notes.
2. Mainly due to the readjustment and offsetting of accounts receivable, accounts payable and other payables after combining related transactions.
3. Mainly due to the reclassification of prepayments to accounts payable.
4. Mainly due to the adjustment of impairment provision for other receivables.
5. Mainly due to the decrease in credit impairment provision for contract assets.
6. Mainly due to the adjustment of non-current assets due within one year to other current assets.
7. Mainly due to the reclassification of the external investment of Nanjing Dongbang in Jianan Xuyi Equity Fund No.1 amounted RMB450,000,000 from long-term equity investments to other equity instruments investment.
8. Mainly due to the adjustment based on the latest fair value.
9. Mainly due to the increase in asset impairment provision for fixed assets.
10. Mainly due to the increase in amortization of intangible assets.
11. The goodwill increased from acquisition of subsidiaries.
12. Mainly due to the increase in amortization of long-term deferred expenses.
13. Mainly due to the decrease in deferred tax.
14. Mainly due to the reclassification of interests payable to short-term borrowings.
15. Mainly due to the reclassification of contract assets and contract liabilities.
16. Mainly due to the increase in provision for payroll payables.
17. Mainly due to the reclassification of tax pending for written off to other current liabilities.
18. Mainly due to the reclassification of long-term borrowings to non-current liabilities due within one year.
19. Mainly due to the decrease in amortization of deferred income resulting from the adjustment to the amortization period of government subsidies income which was included in deferred income.
20. Mainly due to the adjustment of deferred income tax liabilities.
21. Mainly due to the increase after recalculation of withholding interests.
22. Mainly due to the decrease in investment income based on the latest financial data of associates.
23. Mainly due to adjustment of sales income of fixed assets to income on disposal of assets.
24. Mainly due to the increase of income tax payable resulting from recalculation of amount under taxation impact based on the audited results.

By Order of the Board  
**Nanjing Sample Technology Company Limited\***  
**Sha Min**  
*Chairman*

Nanjing, the PRC  
5 June 2020

*As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Zhu Xiang and Ms. Yu Hui, the non-executive director is Mr. Chang Yong; and the independent non-executive directors are Mr. Hu Hanhui, Mr. Gao Lihui and Mr. Niu Zhongjie.*

*\* For identification purpose only*