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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)**

**CONNECTED TRANSACTIONS**  
**ACQUISITION OF EQUITY INTERESTS IN TWO PARTNERSHIPS**

**EQUITY TRANSFER AGREEMENT I**

On 28 December 2022, the Company (as the “Purchaser”) and Sample Digital (as “Vendor I”) entered into the Equity Transfer Agreement I whereby the Purchaser agrees to acquire and the Vendor I agrees to sell 12.00% equity interests in Qingdao Smart Fund at a consideration of RMB36,401,800.00.

**EQUITY TRANSFER AGREEMENT II**

On 28 December 2022, the Company (as the “Purchaser”) and Qingdao Baohao (as “Vendor II”) entered into the Equity Transfer Agreement II whereby the Purchaser agrees to acquire and the Vendor II agrees to sell 50.50% equity interests in Qingdao Data Technology Partnership at a consideration of RMB64,504,300.00.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Sample Group, the substantial and the single largest shareholder of the Company, directly holds 397,821,000 Domestic Shares and indirectly holds 4,310,000 H Shares of the Company, representing approximately 50.77% of the issued share capital of the Company. Both Vendor I and Vendor II are wholly-owned subsidiaries of Sample Group. Accordingly, Vendor I and Vendor II are connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, Equity Transfer Agreement I and Equity Transfer Agreement II and the transactions contemplated thereunder constitute connected transactions of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under Equity Transfer Agreement I and Equity Transfer Agreement II shall be aggregated. As all applicable percentage ratios for the two aggregated transactions under Rule 14.07 of the Listing Rules are less than 5%, the acquisitions are subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

The Board announced that, on 28 December 2022, the Company (as the “Purchaser”) entered into the Equity Transfer Agreement I and Equity Transfer Agreement II with Vendor I and Vendor II, respectively. The aggregate consideration of the two equity transfer agreements is RMB100,906,100.00. Principal terms of the two equity transfer agreements are set out as follows:

### **EQUITY TRANSFER AGREEMENT I**

Date: 28 December 2022

Parties: The Company (as the “Purchaser”);  
Sample Digital (as “Vendor I”)

#### **Subject Matter**

The Purchaser agrees to acquire and Vendor I agrees to sell 12.00% equity interests in Qingdao Smart Fund at a consideration of RMB36,401,800.00.

#### **Consideration and Terms of Payment**

The consideration of the Equity Transfer Agreement I is RMB36,401,800.00, which is based on the net asset value of RMB287,574,159.14 with reference to the Asset Appraisal Report dated 6 December 2022 (Wanlong Pingbao (2022) No. 10640) prepared by an independent valuer Wanlong (Shanghai) Property Evaluation Co., Ltd. using asset-based approach, and is calculated based on the 12.66% equity interests in the paid-up capital of Qingdao Smart Fund held by Vendor I.

The Purchaser shall pay RMB36,401,800.00 to Vendor I in cash by multiple (or single) bank transfers within 15 days after the effective date of the Equity Transfer Agreement I. The consideration of the Equity Transfer Agreement I shall be funded from the internal resources of the Group.

#### **Change of Registration**

The relevant procedures for the change of registration shall commence within 15 working days from the effective date of the Equity Transfer Agreement I. Vendor I shall cooperate with the Purchaser in the relevant procedures, and the relevant taxes and expenses arising from the change of registration shall be borne by the Purchaser and Vendor I, respectively.

## **Other Terms**

Vendor I warrants that it has the right of ownership and full disposition of the underlying equity interests under the Equity Transfer Agreement I. Vendor I warrants that the equity interests involved is not mortgaged or pledged, or sealed up, and is not subject to third-party recourse.

The Purchaser has the right of ownership of the underlying equity interests under the Equity Transfer Agreement I from the date of completion of the change of registration.

## **EQUITY TRANSFER AGREEMENT II**

Date: 28 December 2022

Parties: The Company (as the “Purchaser”);

Qingdao Baohao (as “Vendor II”)

## **Subject Matter**

The Purchaser agrees to acquire and Vendor II agrees to sell 50.50% equity interests in Qingdao Data Technology Partnership at a consideration of RMB64,504,300.00.

Upon completion of the acquisition of 50.50% equity interests in Qingdao Data Technology Partnership, Qingdao Data Technology Partnership will become a subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

## **Consideration and Terms of Payment**

The consideration of the Equity Transfer Agreement II is RMB64,504,300.00, which is based on the net asset value of RMB126,731,983.03 with reference to the Asset Appraisal Report dated 6 December 2022 (Wanlong Pingbao (2022) No. 10639) prepared by independent valuer Wanlong (Shanghai) Property Evaluation Co., Ltd. using asset-based approach, and is calculated based on the 50.90% equity interests in the paid-up capital of Qingdao Data Technology Partnership held by Vendor II.

The Purchaser shall pay RMB64,504,300.00 to Vendor II by in cash multiple (or single) bank transfers within 15 days after the effective date of the Equity Transfer Agreement II. The consideration of the Equity Transfer Agreement II shall be funded from the internal resources of the Group.

## **Change of Registration**

The relevant procedures for the change of registration shall commence within 15 working days from the effective date of the Equity Transfer Agreement II. Vendor I shall cooperate with the Purchaser in the relevant procedures, and relevant taxes and expenses arising from the change of registration shall be borne by the Purchaser and Vendor II, respectively.

## **Other Terms**

Vendor II warrants that it has the right of ownership and full disposition of the underlying equity interests under the Equity Transfer Agreement II. Vendor II warrants that the equity interests involved is not mortgaged or pledged, or sealed up, and is not subject to third-party recourse.

The Purchaser has the right of ownership of the underlying equity interests under the Equity Transfer Agreement II from the date of completion of the change of registration.

## **INFORMATION ABOUT PARTNERSHIPS**

### **Qingdao Smart Fund**

Qingdao Smart Fund was established in the PRC on 10 October 2020, with the total fund size of RMB625,000,000.00. It is principally engaged in equity investment, investment management and asset management through private funds etc. As at the date of this announcement, Qingdao Smart Fund is held as to 46.00% by Qingdao West Coast Finance Development Co., Ltd., 12.80% by Qingdao Haifa Holding Development Co., Ltd., 12.00% by Vendor I, 10.00% by City Development Group (Qingdao) Industrial Capital Management Co., Ltd., 10.00% by Qingdao Innovation Investment Co., Ltd., 4.00% by the Company, 3.20% by Qingdao High Innovation Sci-Tech Capital Operation Co., Ltd., as well as 2.00% by Qingdao Jufuhuiyin Asset Management Co., Ltd.

Haifa Group, the de facto controller of each of Qingdao West Coast Finance Development Co., Ltd., Qingdao Haifa Holding Development Co., Ltd. and Qingdao Jufuhuiyin Asset Management Co., Ltd., directly holds Sample Group as to 51.00%, and hence, each of Qingdao West Coast Finance Development Co., Ltd., Qingdao Haifa Holding Development Co., Ltd. and Qingdao Jufuhuiyin Asset Management Co., Ltd. is a connected person of the Company under the Listing Rules.

As at the date of this announcement, Vendor I, as a limited partner, subscribed capital in Qingdao Smart Fund is RMB75,000,000.00 and its paid-up capital is RMB30,000,000.00, accounting for 12.66% of the equity interests of Qingdao Smart Fund on a paid-up basis. The Company, as a limited partner, subscribed capital in Qingdao Smart Fund is RMB25,000,000.00 and its paid-up capital is RMB10,000,000.00, accounting for 4.22% of the equity interests of Qingdao Smart Fund on a paid-up basis.

As at the date of this announcement, Qingdao Smart Fund has invested in four projects. It currently holds 0.776% equity in Yisa Technology Co., Ltd., 0.5875% in Shandong Yonghao New Material Technology Co., Ltd., 1.1055% in Zhejiang HUOSK Network Technology Co., Ltd. and 0.6637% in Shenzhen Zhumang Technology Co., Ltd.

The highlights of the audited consolidated financial information for the two years ended 31 December 2020 and 2021 and for the nine months ended 30 September 2022 prepared by Qingdao Smart Fund in accordance with Chinese accounting standards are set out as below:

	<b>For the nine months ended 30 September 2022 and as at that date</b>	<b>For the year ended 31 December 2021 and as at that date</b>	<b>For the year ended 31 December 2020 and as at that date</b>
	<i>RMB</i> (Audited)	<i>RMB</i> (Audited)	<i>RMB</i> (Audited)
Revenue	0	0	0
Profit/(loss) before tax	25,235,002.45	24,593,229.75	19,694.67
Profit/(loss) after tax	25,235,002.45	24,593,229.75	19,694.67
Total assets	286,847,926.87	149,612,924.42	113,519,694.67
Net asset value	286,847,926.87	149,612,924.42	113,519,694.67

### **Qingdao Data Technology Partnership**

Qingdao Data Technology Partnership was established in the PRC on 26 September 2021, the total contribution of which is RMB101,000,000.00. It is principally engaged in investment activities and information consulting services with its own funds. As at the date of this announcement, Qingdao Data Technology Partnership is held as to 50.50% by Vendor II, 48.51% by Qingdao West Coast Finance Development Co., Ltd. and 0.99% by Qingdao Jufuhuiyin Asset Management Co., Ltd.

Haifa Group, the de facto controller of each of Qingdao West Coast Finance Development Co., Ltd. and Qingdao Jufuhuiyin Asset Management Co., Ltd., directly holds Sample Group as to 51.00%, and hence, each of Qingdao West Coast Finance Development Co., Ltd. and Qingdao Jufuhuiyin Asset Management Co., Ltd. is a connected person of the Company under the Listing Rules.

As at the date of this announcement, Vendor II, as a limited partner, subscribed capital in Qingdao Data Technology Partnership is RMB51,000,000.00 and its paid-up capital is RMB51,000,000.00, accounting for 50.90% of the equity interests of Qingdao Data Technology Partnership on a paid-up basis.

As at the date of this announcement, Qingdao Data Technology Partnership has invested in one project. It currently holds 1.1725% equity in Yisa Technology Co., Ltd.

The highlights of the audited consolidated financial information for the year ended 31 December 2021 and for the nine months ended 30 September 2022 prepared by Qingdao Data Technology Partnership in accordance with Chinese accounting standards are set out as below:

	<b>For the nine months ended 30 September 2022 and as at that date <i>RMB</i> (Audited)</b>	<b>For the year ended 31 December 2021 and as at that date <i>RMB</i> (Audited)</b>
Revenue	0	0
Profit/(loss) before tax	26,532,805.44	(822.41)
Profit/(loss) after tax	26,532,805.44	(822.41)
Total assets	126,731,985.03	100,199,179.59
Net asset value	126,731,983.03	100,199,177.59

## **INFORMATION ABOUT THE COMPANY, VENDOR I AND VENDOR II**

### **The Company**

The Company is a company established in the PRC, whose H shares are listed on the Stock Exchange. The Group is principally engaged in the provision of video identification and radio frequency identification technologies based full solutions to intelligent transportation, customs logistics application areas.

### **Vendor I**

Sample Digital is a company established in the PRC, principally engaged in the wholesale business regarding mechanical equipment, hardware products and electronic products. As at the date of this announcement, Sample Group holds 100.00% of the equity interests of Sample Digital.

### **Vendor II**

Qingdao Baohao is a company established in the PRC, principally engaged in steel supply chain, rubber supply chain and other businesses. As at the date of this announcement, Sample Group holds 100.00% of the equity interests of Qingdao Baohao.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company mainly operates its business in intelligent expressway, intelligent transportation and intelligent logistics industries. Qingdao Smart Fund invests in strategic emerging industries, such as intelligent transportation, Internet of vehicles, big data, intelligent vision, artificial intelligence, blockchain technology application and industrial Internet. With support from national policies, the industries have large room for development. In the meantime, the investment orientation of Qingdao Smart Fund matches that of the Company, which is conducive to the latter's investment in excellent technology firms and may create a possible synergy with the Company on industry and financing. The fund concentrates on intellectual property-intensive high-tech firms that have technical strength, which allows them to withstand risks. As the fund manager has rich management experience and project resources, it is an excellent and professional team. The Company's move to invest in the fund is a kind of value investing, enabling the Company to take this opportunity to further strengthen the diversification of investment fields and investment risk diversification.

Qingdao Data Technology Partnership mainly invests in Yisa Technology Co., Ltd. ("Yisa Technology") that focuses on promoting the integration of artificial intelligence and big data analytics with various application scenarios in the field of digital cities. Yisa Technology is principally engaged in the provision of application software, supporting hardware and related services based on vehicle recognition, facial recognition, trajectory tracking, behaviour detection, multidimensional integration analysis, etc. for public security, traffic control, political and legal affairs commission and other government departments. Yisa Technology filed an application to the Shanghai Stock Exchange for listing on the Science and Technology Innovation Board on 30 June 2022, which has been accepted.

The Directors of the Company (including all independent non-executive Directors) are of the opinion that the terms of the Equity Transfer Agreement I and Equity Transfer Agreement II are fair and reasonable, the transactions contemplated thereunder are conducted on ordinary commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Sample Group, the substantial and the single largest shareholder of the Company, directly holds 397,821,000 Domestic Shares and indirectly holds 4,310,000 H Shares of the Company, representing approximately 50.77% of the issued share capital of the Company. Both Vendor I and Vendor II are wholly-owned subsidiaries of Sample Group. Accordingly, Vendor I and Vendor II are connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, Equity Transfer Agreement I and Equity Transfer Agreement II and the transactions contemplated thereunder constitute connected transactions of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under Equity Transfer Agreement I and Equity Transfer Agreement II shall be aggregated. As all applicable percentage ratios for the two aggregated transactions under Rule 14.07 of the Listing Rules are less than 5%, the Disposal is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

Save for Mr. Sha Min, none of the Directors is materially interested in those agreements. Accordingly, Mr. Sha Min has abstained from voting in the Board's meeting to approve the Equity Transfer Agreement I and Equity Transfer Agreement II and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	board of Directors
“Company”	Nanjing Sample Technology Co., Ltd.* (南京三寶科技股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1708)
“connected person(s)”	has(have) the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for in RMB, and all of such Shares are not listed on the Stock Exchange
“Equity Transfer Agreement I”	the equity transfer agreement entered into between the Company (as the “Purchaser”) and Sample Digital (as “Vendor I”) in connection with the acquisition of 12.00% equity in Qingdao Smart Fund
“Equity Transfer Agreement II”	the equity transfer agreement entered into between the Company (as the “Purchaser”) and Qingdao Baohao (as “Vendor II”) in connection with the acquisition of 50.50% equity in Qingdao Data Technology Partnership
“Group”	the Company and its subsidiaries from time to time
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange, and subscribed for and traded in Hong Kong Dollars
“Haifa Group”	Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd.* (青島海發國有資本投資運營集團有限公司) (formerly known as Qingdao West Coast Development Group Limited* (青島西海岸發展(集團)有限公司)), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“PRC”	the People’s Republic of China
“Qingdao Baohao”	Qingdao Baohao Technology Co., Ltd., a company incorporated in the PRC with limited liability, which is directly owned as to 100.00% by Sample Group
“Qingdao Data Technology Partnership”	Qingdao Haifa Data Technology Industry Investment Development Partnership (Limited Partnership), a partnership incorporated in the PRC on 26 September 2021, which is owned as to 50.50% by Qingdao Baohao prior to the Acquisition
“Qingdao Smart Fund”	Qingdao Smart Data Technology Venture Capital Partnership (Limited Partnership), a partnership incorporated in the PRC on 10 October 2020, which is owned as to 4.00% by the Company prior to the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Sample Digital”	Nanjing Sample Digital Technology Co., Ltd., a company incorporated in the PRC with limited liability, which is directly owned as to 100.00% by Sample Group
“Sample Group”	Nanjing Sample Technology Group Ltd., a company incorporated in the PRC with limited liability, which directly holds 397,821,000 Domestic Shares and indirectly holds 4,310,000 H Shares of the Company, representing approximately 50.77% of the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By order of the Board  
**Nanjing Sample Technology Co., Ltd.\***  
**Sha Min**  
*Chairman*

Nanjing, the PRC, 28 December 2022

*As at the date of this announcement, the executive Directors are Mr. Sha Min (Chairman), Mr. Ma Fengkui and Mr. Zhang Junmin, and the independent non-executive Directors are Mr. Hu Hanhui, Mr. Gao Lihui and Mr. Niu Zhongjie.*

\* For identification purpose only