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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)

PROFIT WARNING

This announcement is made by Nanjing Sample Technology Co., Limited* (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the preliminary assessment by the Group’s management of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group is expected to record an increase in net loss attributable to shareholders of the parent company for the year ended 31 December 2022 to approximately RMB170 million to RMB280 million as compared with the net loss attributable to shareholders of the parent company of RMB59 million for the corresponding period of last year.

Such increase in loss was primarily attributable to: 1) the increase of provision for impairment losses in 2022 as compared to that of the same period last year. It is expected that the amount of provision for impairment losses for 2022 will be in a range between RMB150 million and RMB180 million; 2) the adverse impact of external factors such as the novel coronavirus pandemic (COVID-19), shrinking market demand and intensified industry competition in 2022 which attributed to a negative impact on the Group’s operations and led to decreases of the revenue and gross profit margin of the Group. It is expected that the revenue of the Group for the year of 2022 will decrease by about 35%-45% as compared to that of 2021.

* For identification purposes only

The Group is still in the process of finalizing its audited annual results for the year ended 31 December 2022. The information contained in this announcement is only a preliminary assessment based on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2022, which have not been audited or reviewed by the auditor and the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors of the Company are advised to read carefully the Company's audited annual results for the year ended 31 December 2022, which is expected to be published by the end March 2023.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Nanjing, the PRC, 17 March 2023

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