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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)

**PROPOSED MANDATE FOR POTENTIAL VERY
SUBSTANTIAL DISPOSAL INVOLVING DISPOSAL OF
ASSETS THROUGH PUBLIC TENDER**

THE PROPOSED DISPOSAL AND PROPOSED MANDATE

The Company intends to dispose of the Sale Assets through Public Tender to be conducted on the Property Exchanges. Therefore, the Board proposes to seek the Proposed Mandate to be granted in advance by the Shareholders at the EGM for the Directors to enter into and complete the Proposed Disposal.

LISTING RULES IMPLICATIONS

If the Group proceeds with the Proposed Disposal, the highest applicable percentage ratio calculated pursuant to the Listing Rules based on the Minimum Price in respect of the Proposed Disposal is more than 75%, the Proposed Disposal is therefore expected to constitute a very substantial disposal of the Company pursuant to the Listing Rules and be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among others, further details about the Proposed Disposal and the Proposed Mandate, other information as required under the Listing Rules and a notice convening the EGM, is expected to be despatched to the Shareholders on or before 9 October 2025.

The terms of the Public Tender have yet to be finalised and therefore may be subject to changes. In addition, the Proposed Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

THE PROPOSED DISPOSAL THROUGH PUBLIC TENDER

The Company intends to dispose of the Sale Assets through Public Tender to be conducted on the Property Exchanges.

The Company is a state-controlled enterprise. Accordingly, the Proposed Disposal constitutes a transfer of state-owned assets, and is required by the relevant PRC laws and regulations to undergo the process of public tender through a qualified Property Exchanges institution.

Major Terms of the Proposed Disposal

Sale Assets

As of the date of this announcement and prior to the Proposed Disposal, the Group owns an industrial real estate located at No. 10 Maqun Avenue, Qixia District, Nanjing City, Jiangsu Province, the PRC. The real estate registration certificate number is Su (2025) Ningqi Real Estate Right No. 0033368. The site covers a parcel area of 76,760.91 square meters, with a building area of 51,932.05 square meters, and has a usage term from 18 August 2003 to 17 August 2053, comprising eight properties, with details as follows:

Land parcel code: 320113002002GB00185					<i>Unit: square meters</i>	
Building number	F1	F2、F6、F8	F3	F4	F5	F7
Floor	1-3	1-8	1-3	1-4	1-3	1-2
Building area	4758.63	32715.12	3749.34	4670.39	3776.94	2261.63
Real estate unit number: 320113002002GB00185F99990001						

The Sale Assets consist of certain self-owned buildings of the above-mentioned real estate and the land use rights within the area occupied by these buildings. The Group is the sole holder of the real estate rights in the Sale Assets. The Sale Assets include buildings numbered F1, F3, F4, and F5, with a total building area of 16,955.3 square meters and an allocated land area of 13,262.6 square meters. It also includes the right to enjoy the use of common parts such as access rights and shared facilities for water, electricity, internet, communications, fire protection, landscaping, etc., as well as inseparable decoration and renovation necessary to fulfill its functional use.

Notes:

1. As of the date of this announcement, certain portions of the Sales Assets are currently leased to the Group's affiliates and independent third parties. The leased area is approximately 11,829.76 square meters, accounting for about 69.78% of the whole area of the Sale Assets, currently the remaining part is vacant, for self-use and for supporting facilities such as power distribution rooms. The leased properties are mainly used for office, research and development, and daily operations. The disposal of the Sales Assets during the lease term will not affect the fulfillment of the aforementioned leases. If the lessor intends to terminate the lease early, the lessee shall agree; however, the lessor must provide the lessee with 30 days' prior notice and is not required to pay any compensation.

2. The whole real estate is mortgaged to a commercial bank (an independent third party) to secure the Group's loan (with an outstanding balance of approximately RMB121.32 million as of 30 June 2025). The Group expects to arrange for the release of the relevant mortgage at or around the time of the registration of the transfer of the Sale Assets.
3. Upon completion of the Proposed Disposal, the remaining real estate will continue to be used for the Group's offices, research and development and daily operations, with a portion for rental purposes.

Qualifications of the bidders

The Proposed Disposal will be conducted through Public Tender on Property Exchanges. The successful bidder of the Public Tender will be the Purchaser. Interested bidders shall satisfy, among others, the following qualifications:

- (1) it shall be a corporation or a non-corporate organization, legally registered with valid continuing existence, or shall be a natural person with full civil capacity, in the PRC;
- (2) it shall be financially sound, with ability to pay;
- (3) other qualifications stipulated under applicable national laws and regulations; and
- (4) The bidder must not be a connected person of the Company.

Procedure of the Public Tender

To commence the formal process of the Public Tender, in accordance with the tender process of the Property Exchanges, the transferor will submit a tender notice to the Property Exchanges, which will include (among other things) the information of the Sale Assets (including their location and other basic information), the Tender Base Price, main bidding terms, and the qualifications of prospective bidders. If the tender information passes the review, the Property Exchanges will publish a public transfer announcement ("**Public Notice**") on its website. The Company intends to obtain shareholders' approval of the Proposed Disposal and Proposed Mandate at an extraordinary general meeting, and after obtaining the necessary regulatory approvals for the application, to submit the relevant tender notice regarding the potential sale to the Property Exchanges.

The publication period will initially be 20 working days (commencing on the date immediately after the date of the Publication Notice) (the "**Publication Period**"). During the Publication Period, qualified bidders may express their intention to purchase the Sale Assets, and register themselves with Property Exchanges as interested bidders. Interested bidders are required to pay a guarantee fee (which is expected to be not more than 30% of the Tender Base Price) (the "**Guarantee Fee**") to the designated account of Property Exchanges within the period prescribed by Property Exchanges.

After the Publication Period, if only one qualified interested bidder who has paid the deposit is solicited, the transaction will be conducted by agreement, and that bidder will be directly determined as the transferee. The final consideration will be the price submitted by that bidder (not lower than the Tender Base Price). If two or more qualified interested bidders who have paid the deposit are solicited, the Property Exchanges will organize an online bidding process to determine the transferee and the transaction price. At the end of the Public Tender, the Property Exchanges will notify the transferor of the identity of the successful bidder (Purchaser). Once the Purchaser's identity is confirmed, the transferor will enter into Transaction Agreement with the Purchaser.

As of the date of this announcement, certain material content of the Transaction Agreement such as the identity of the Purchaser, the Final Consideration, and closing date of the Proposed Disposal have not been finalised. The Company will make further announcement(s) regarding the Public Tender and the Proposed Disposal as and when appropriate.

Consideration

The Final Consideration of the Sale Assets shall be the winning bid price of the Public Tender pursuant to the procedure set out in the sub-section headed "Procedure of the Public Tender" above. The Company will submit a Tender Base Price to Property Exchanges, which will be released in the Public Notice.

The Tender Base Price will be determined by the Group, but will not be lower than RMB186.94 million (inclusive of value-added tax). In determining the Minimum Price, the Group has taken into account, among other things, (1) the aggregate appraisal value of the Sale Assets of approximately RMB160 million as of 3 September 2025, prepared by an independent property valuer based on market approach; (2) the unaudited net book value of the Sale Assets of approximately RMB156.88 million as of 30 June 2025 based on the management accounts of the Group; (3) tax (excluding land value-added tax), transaction fee and other fees and expenses to be incurred by the Group with respect to the Proposed Disposal (currently estimated to be approximately RMB10.22 million in aggregate, assuming the Proposed Disposal completes at the Minimum Price); and (4) prospects of the Sale Assets.

In light of the above and information set out in the section headed "Reasons for and benefits of the Proposed Disposal" below, the Board considers that the Final Consideration to be arrived at will be fair and reasonable.

The Final Consideration will be paid in cash in RMB. One-off payment of the Final Consideration (after deducting the Guarantee Fee) shall be made to the designated account of Property Exchanges within the agreed contractual period after the Transaction Agreement takes effect. After both parties complete the relevant asset transfer procedures, the transferor shall apply to the Property Exchanges for the transfer of the consideration of property with valid proof documents.

Registration of the Proposed Disposal

Application to register the transfer of the Sale Assets will be made with the relevant governmental authority(ies) in the PRC after Property Exchanges having issued the Certificate of Real Assets Transaction.

Representations and warranties

It is expected that the Company will give certain representations and warranties in relation to the Sale Assets in the Transaction Agreement, such as its right to dispose the Sale Assets, accuracies of information provided.

Conditions precedent to the Proposed Disposal

The Proposed Disposal will be subject to, among other things, having obtained the Shareholders' approval on the Proposed Disposal and the Proposed Mandate at the EGM, and having obtained the Supervisory Approvals.

As the Company (as the transferor of the Proposed Disposal) is a state-controlled enterprise, the Proposed Disposal is required by the relevant PRC laws and regulations to undergo the process of public tender through a qualified equity exchange institution. Pursuant to the relevant rules of the Property Exchanges, publication to formally commence a public tender should only be made after the transferor having completed relevant decision-making and approval procedures. Therefore, it would not be practicable to formally commence the Public Tender with a term that the Proposed Disposal be conditional upon the Shareholders' approval. The Board would like to seek the Proposed Mandate to be granted in advance by the Shareholders at the EGM for the Directors to enter into and complete the Proposed Disposal.

FINANCIAL INFORMATION ABOUT THE SALE ASSETS

Set out below is a summary of certain financial information attributable to the Sale Assets for the periods indicated, extracted from the unaudited relevant books and records of the Group and prepared in accordance with the China Accounting Standards for Business Enterprises:

	For the year ended 31 December		For the six months ended 30 June
	2023	2024	2025
	(unaudited)	(unaudited)	(unaudited)
Revenue	5,646,355.33	1,665,464.10	2,104,196.00
Profit before taxation	25,717,791.87	7,016,896.58	1,744,644.07
Profit after taxation	22,591,653.09	6,128,735.36	1,744,644.07

As of 30 June 2025, the unaudited net book value of the Sale Assets was approximately RMB156.88 million based on the management accounts of the Group.

FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND INTENDED USE OF PROCEEDS

On the assumption that the Proposed Disposal is completed at the Minimum Price, it is estimated that a gain of about 1.35 million will be derived, which is calculated based on (1) the Minimum Price (i.e. RMB186.94 million); (2) the tax, transaction fee and other fees and expenses relating to the Proposed Disposal (currently estimated to be approximately RMB67.62 million in aggregate based on the Minimum Price); (3) a gain of approximately RMB 38.91 million due to the effects of other comprehensive income and deferred income tax expenses; and (4) the unaudited net book value of the Sale Assets of approximately RMB156.88 million as of 30 June 2025 based on the management accounts of the Group.

Since the Sale Assets is an old property, the calculation of the land value-added tax involves replacement cost, and the final data shall be subject to the tax bureau's settlement report.

On the assumption that the Proposed Disposal is completed at the Minimum Price and taking into account the land value-added tax of approximately RMB 57.4 million, and the real estate transaction value-added tax and transaction fees in aggregate of approximately RMB 10.22 million in relation to the Proposed Disposal, it is estimated that the net proceeds from the Proposed Disposal will amount to approximately RMB119.32 million. The Board intends to apply the net proceeds from the Proposed Disposal for repayment of loans secured by real estate.

Shareholders and potential investors should note that the above financial effects and estimations are for reference purpose only, and do not purport to represent how the financial position of the Group will be upon completion of the Proposed Disposal. The actual financial figures and effects resulted from the Proposed Disposal will be assessed based on the Final Consideration, the financial position of the Group at the time of completion of the Proposed Disposal, and eventually be recognised in the consolidated financial statements of the Company upon completion of the Proposed Disposal.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Sales Assets are non-core assets of the Group and the Proposed Disposal will not affect the main business development of the Group. The Board considers that the Proposed Disposal, if materialised, would allow the Group (i) to revitalise its assets and accelerate asset turnover for the overall strategic planning of the Company; (ii) to apply the inflow of cash from the Proposed Disposal on repayment of loans and borrowings, and could lower the Group's interest-bearing liabilities; and (iii) to supplement the Group's general working capital and develop its main business.

In view of the above, the process of the Public Tender and how the Final Consideration will be arrived at, and other terms of the Proposed Disposal, the Directors are of the view that the Proposed Disposal and its key terms will be on normal commercial terms, fair and reasonable, and the Proposed Disposal is in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, no Director has a material interest in, and no Director is required to abstain from voting on the Board resolutions approving, the Proposed Disposal and the transactions contemplated thereunder.

INFORMATION ON THE GROUP

The Company is a company established in the PRC, whose H Shares are listed on the Stock Exchange. The Group is principally engaged in provision of integrated solutions based on Radio Frequency Identification Device (RFID) and visual identification technology for intelligent transportation and customs logistics sectors.

Sample Group directly holds 397,821,000 Domestic Shares and indirectly holds 4,310,000 H Shares, representing approximately 50.77% of the issued share capital of the Company. Sample Group is the single largest shareholder of the Company. Given that Sample Group is controlled as to 51% by Qingdao Haifa State-Owned Capital Investment and Operation Group Co., Ltd. ("**Haifa Group**"), Haifa Group is 100% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Qingdao. As such Sample Group is a state-owned enterprise. Therefore, the Company is also a state-owned enterprise, and the potential sale of assets constitutes a transfer of state-owned assets.

LISTING RULES IMPLICATIONS

If the Group proceeds with the Proposed Disposal, the highest applicable percentage ratio calculated pursuant to the Listing Rules based on the Minimum Price in respect of the Proposed Disposal is more than 75%, the Proposed Disposal is therefore expected to constitute a very substantial disposal of the Company pursuant to the Listing Rules and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Resolution will be proposed at the EGM to seek the Shareholders' approval on the Proposed Disposal, and the granting of the Proposed Mandate in advance by the Shareholders for the Directors to enter into and complete the Proposed Disposal. To the best knowledge of the Company, at present, no Shareholder shall be considered as having a material interest and be required to abstain from voting at the EGM.

A circular containing, among others, further details about the Proposed Disposal and the Proposed Mandate, other information as required under the Listing Rules and a notice convening the EGM, is expected to be despatched to the Shareholders on or before 9 October 2025.

The terms of the Public Tender have yet to be finalised and therefore may be subject to changes. In addition, the Proposed Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company. Further announcement(s) will be made by the Company as and when appropriate or required by the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“associate(s)”	: has the meaning ascribed to it under the Listing Rules
“Board”	: the board of directors of the Company
“Company”	: (南京三寶科技股份有限公司) Nanjing Sample Technology Company Ltd.*, a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are listed on the main board of the Stock Exchange (Stock Code: 1708)
“connected person(s)”	: has the meaning ascribed to it under the Listing Rules
“Director(s)”	: the director(s) of the Company
“Domestic Share(s)”	: 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
“EGM”	: the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Proposed Disposal and the grant of the Proposed Mandate

“Final Consideration”	: the final consideration for the Proposed Disposal
“Group”	: the Company and its subsidiaries
“H Shares(s)”	: the overseas listed foreign invested share(s) of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the main board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
“Hong Kong”	: the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	: the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Minimum Price”	: the minimum amount that may be set by the Group under the Tender Base Price of the Proposed Mandate, but it shall not be less than RMB 186.94 million (including VAT)
“PRC”	: the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property Exchanges”	: Jiangsu Property Rights Exchanges
“Proposed Disposal”	: the proposed disposal of the Sale Assets
“Proposed Mandate”	: a mandate proposed to be granted in advance by the Shareholders to the Directors to enter into and complete the Proposed Disposal through Public Tender
“Public Tender”	: the public tender for the Proposed Disposal through Jiangsu Property Rights Exchanges
“Purchaser”	: the successful bidder of the Public Tender
“RMB”	: Renminbi, the lawful currency of the PRC
“Sale Assets”	: the real estates proposed to be disposed of, as detailed in the section headed “The Proposed Disposal through Public Tender – Sale Assets” in this announcement

“Sample Group”	: Nanjing Sample Technology Group Company Limited, a limited company incorporated in the PRC, directly holds 397,821,000 domestic shares of the Company and indirectly holds 4,310,000 H shares of the Company, representing approximately 50.77% of the Company’s issued share capital
“Share(s)”	: the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	: holders of the Share(s), including holders of the Domestic Shares and the H Shares, unless specified otherwise
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Supervisory Approvals”	: approvals which are necessary or appropriate pursuant to the Measures for the Supervision and Administration of the Transactions of State-owned Assets of Enterprises for the Proposed Disposal
“Tender Base Price”	: the base bidding price for the Sale Assets through Public Tender to be determined by and submitted to Jiangsu Property Rights Exchanges by the Group, which in any event shall not be lower than the Minimum Price
“Transaction Agreement”	: The sale and purchase agreement for the Proposed Disposal which is expected to enter into between the Company and the Purchaser with respect to the tangible assets
“%”	: per cent.

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

Nanjing, the PRC
16 September 2025

As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Ma Fengkui and Mr. Liu Min, the non-executive Director is Mr. Liu Fei; and the independent non-executive Directors are Mr. Hu Hanhui, Mr. Gao Lihui and Ms. Chung Yuet Mei.

* For identification purpose only