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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

The total operating income of the Group for the year ended 31 December 2025 amounted to RMB503,955,150.46 as compared to that of RMB439,871,713.59 for the corresponding period last year, representing an increase of approximately 14.57%.

The net loss attributable to shareholders of the parent company for the year ended 31 December 2025 amounted to RMB73,124,665.33, as compared with the net loss attributable to shareholders of the parent company of RMB420,592,151.70 for the corresponding period of last year, representing a significant narrowing of the loss.

The basic loss per share for the year ended 31 December 2025 was approximately RMB0.092 (2024: basic loss per share of approximately RMB0.531).

The Board did not propose the payment of a final dividend for the year ended 31 December 2025.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Nanjing Sample Technology Co., Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 (the “**Review Period**”) together with the comparative figures for the year ended 31 December 2024 as follows:

(Unless otherwise stated, the financial information of the Company in this announcement was stated in Renminbi (“**RMB**”) yuan.)

Consolidated balance sheet*At 31 December 2025*

ASSETS	<i>Note</i>	2025	2024
Current assets:			
Cash at bank and on hand		340,911,386.19	272,556,248.94
Held-for-trading financial assets		–	–
Derivative financial assets		–	–
Bills receivable	3	9,010,156.09	11,505,246.01
Accounts receivable	3	160,937,743.64	187,805,300.27
Receivables financing	3	377,682.00	–
Prepayments	3	13,333,355.49	15,256,505.82
Other receivables	3	477,174,533.48	733,720,454.41
Including: Interest receivable		–	–
Dividend receivable		–	–
Inventories		2,004,286.43	5,607,358.59
Contract assets		271,245,256.70	341,900,044.90
Held-for-sale assets		–	–
Non-current assets due within one year		–	–
Other current assets		57,746,152.69	55,775,260.21
Total current assets		<u>1,332,740,552.71</u>	<u>1,624,126,419.15</u>

ASSETS (CONTINUED)	<i>Note</i>	2025	2024
Non-current assets:			
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments		9,621,683.01	10,154,577.39
Other equity instrument investments		40,031,021.94	42,712,749.75
Other non-current financial assets		106,862,714.40	102,818,638.40
Investment property		423,311,400.00	422,191,100.00
Fixed assets		77,239,056.86	52,793,095.73
Construction in progress		8,071,813.57	—
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		—	—
Intangible assets		6,710,768.54	4,949,358.26
Development expenditures		—	—
Goodwill		—	—
Long-term deferred expenses		53,303.93	98,371.17
Deferred income tax assets		82,892,645.53	125,448,113.68
Other non-current assets		—	1,000,000.00
		<hr/>	<hr/>
Total non-current assets		754,794,407.78	762,166,004.38
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TOTAL ASSETS		2,087,534,960.49	2,386,292,423.53
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LIABILITIES & SHAREHOLDERS' EQUITY	<i>Note</i>	2025	2024
Current liabilities:			
Short-term borrowings		369,278,840.14	507,770,267.01
Held-for-trading financial liabilities		-	-
Derivative financial liabilities		-	-
Bills payable	4	-	-
Accounts payable	4	314,469,691.97	379,523,727.48
Advances from customers	4	65,487.06	-
Contract liabilities	4	88,904,619.44	97,114,746.89
Employees benefits payable		13,666,348.59	13,808,023.59
Taxes payable		3,068,383.29	2,536,498.38
Other payables	4	51,498,791.53	50,838,355.76
Including: Interest payable		-	-
Dividend payable		-	-
Held-for-sale liabilities		-	-
Non-current liabilities due within 1 year		7,490,013.00	7,505,441.88
Other current liabilities		7,352,046.92	2,718,599.84
Total current liabilities		<u>855,794,221.94</u>	<u>1,061,815,660.82</u>

LIABILITIES & SHAREHOLDERS' EQUITY (CONTINUED)

	<i>Note</i>	2025	2024
Non-current liabilities:			
Long-term borrowings		63,450,000.00	70,850,000.00
Bonds payables		—	—
Including: Preferred shares		—	—
Perpetual bond		—	—
Lease liabilities		—	—
Long-term payables		—	—
Long-term employee benefits payable		—	—
Estimated liabilities		—	—
Deferred income		2,228,841.73	1,021,907.98
Deferred income tax liabilities		38,614,966.98	34,000,185.55
Other non-current liabilities		—	—
		<hr/>	<hr/>
Total non-current liabilities		104,293,808.71	105,872,093.53
		<hr/>	<hr/>
TOTAL LIABILITIES		960,088,030.65	1,167,687,754.35
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Shareholders' equity:			
Share capital		792,058,500.00	792,058,500.00
Other equity instruments		—	—
Including: Preferred shares		—	—
Perpetual bond		—	—
Capital reserves		74,668,701.77	80,999,419.73
Less: Treasury shares		—	—
Other comprehensive income		106,551,878.76	109,584,952.77
Special reserves		—	—
Surplus reserves		108,136,584.74	108,136,584.74
Undistributed profits	5	46,031,264.57	119,155,929.90
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Total equity attributable			
to shareholders of the parent company		1,127,446,929.84	1,209,935,387.14
Minority interest		—	8,669,282.04
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Total shareholders' equity		1,127,446,929.84	1,218,604,669.18
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,087,534,960.49	2,386,292,423.53
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Consolidated income statement

For the year ended 31 December 2025

	Note	2025	2024
I. Operating income	6	503,955,150.46	439,871,713.59
Less: Operating costs	6	436,476,787.59	375,625,654.92
Tax and surcharges		4,315,447.24	3,826,249.15
Selling expenses		32,676,158.65	37,439,448.90
Administrative expenses		20,048,506.68	29,841,757.25
Research and development expenses		23,567,843.41	19,155,472.26
Financial expenses	9	23,112,074.44	26,899,765.69
Including: Interest expense		23,255,515.10	27,069,007.64
Interest income		-364,726.62	-693,054.57
Add: Other income		1,894,644.64	507,412.98
Investment income (loss is represented by "-")		-406,544.48	1,296,627.18
Including: Investment income from associates and joint ventures		-532,894.38	32,879.84
Gain arising from derecognition of financial assets at amortised cost		—	—
Gain arising from hedging of net open positions (loss is represented by "-")		—	—
Gain arising from changes in fair value (loss is represented by "-")		33,522,406.83	-7,237,889.85
Credit impairment loss (loss is represented by "-")		1,084,306.11	-136,875,673.87
Asset impairment loss (loss is represented by "-")		-22,856,173.82	-214,720,181.52
Gain on disposal of assets (loss is represented by "-")		—	—

	<i>Note</i>	2025	2024
II. Operating profit (loss is represented by “-”)		-23,003,028.27	-409,946,339.66
Add: Non-operating income		146.02	16,763.84
Less: Non-operating expenses		2,493,402.36	55,067,766.99
		<hr/>	<hr/>
III. Total profit (total loss is represented by “-”)		-25,496,284.61	-464,997,342.81
Less: Income tax expense	<i>10</i>	47,628,380.72	-44,247,947.58
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IV. Net profit (net loss is represented by “-”)		-73,124,665.33	-420,749,395.23
(I) Classified by business continuity			
1. Net profit from continuing operations (net loss is represented by “-”)		-73,124,665.33	-420,749,395.23
2. Net profit from discontinued operations (net loss is represented by “-”)			
(II) Classified by attribution of the ownership			
1. Net profit attributable to shareholders of the parent company (net loss is represented by “-”)		-73,124,665.33	-420,592,151.70
2. Profit or loss attributable to minority shareholders (net loss is represented by “-”)		—	-157,243.53
		<hr/>	<hr/>
V. Net other comprehensive income after tax		-3,033,074.01	6,188,811.17
(I) Net other comprehensive income after tax attributable to shareholders of the parent company		-3,033,074.01	6,188,811.17
1. Other comprehensive income which cannot be reclassified to profit and loss		-2,236,863.44	5,331,598.96
(1) Changes as a result of re-measurement of defined benefit plans		—	—
(2) Other comprehensive income that cannot be reclassified to profit and loss under equity method		—	—
(3) Changes in fair value of other equity instrument investments		-2,236,863.44	5,331,598.96
(4) Changes in fair value of the enterprise’s own credit risk		—	—

	<i>Note</i>	2025	2024
2. Other comprehensive income which can be reclassified to profit and loss		-796,210.57	857,212.21
(1) Other comprehensive income that can be reclassified to profit and loss under equity method		-	-
(2) Changes in fair value of other debt investments		-	-
(3) Amount of financial assets reclassified to other comprehensive income		-	-
(4) Provision for credit impairment of other debt investments		-	-
(5) Cash flow hedging reserve (effective portion of cash flow hedge gains or losses)		-	-
(6) Translation difference of financial statements in foreign currencies		-796,210.57	857,212.21
(7) Others		-	-
(II) Net other comprehensive income after tax attributable to minority shareholders		-	-
VI. Total comprehensive income		-76,157,739.34	-414,560,584.06
(I) Total comprehensive income attributable to shareholders of the parent company		-76,157,739.34	-414,403,340.53
(II) Total comprehensive income attributable to minority shareholders		-	-157,243.53
VII. Earnings/loss per share:			
(I) Basic earnings/loss per share (Yuan/share)	<i>11</i>	-0.092	-0.531
(II) Diluted earnings/loss per share (Yuan/share)		-0.092	-0.531

NOTES

1. BASIC INFORMATION OF THE COMPANY

南京三寶科技股份有限公司 (Nanjing Sample Technology Company Limited*) (“**Company**” or “**the Company**”) was established in Nanjing City, Jiangsu Province, the People’s Republic of China and was approved to be reorganized into a joint stock limited company on 29 December 2000. The shares of the Company were listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 June 2004. On 1 December 2010, the Company’s H shares were successfully migrated from the GEM to the Main Board of the Stock Exchange.

The unified social credit code of the Company is 91320100726074332B and the legal representative of the Company is Liu Fei.

After years of issuing bonus shares, placing new shares, share capitalization and issuing new shares, as of 31 December 2025, the Company had issued an aggregate of 792,058,500 shares, with a registered capital of RMB792,058,500. The address of the registered office of the Company: No. 10 Maqun Avenue, Qixia District, Nanjing City. The address of the headquarters of the Company: No. 10 Maqun Avenue, Qixia District, Nanjing City.

The parent company of the Company is Nanjing Sample Technology Group Company Limited* (南京三寶科技集團有限公司), and the ultimate controller of the Company is the State-owned Assets Supervision & Administration Commission of the People’s Government of Qingdao established in the PRC.

The Company is engaged in the information technology application (IT application) service industry. The primary business activity actually engaged in is to provide system integration services for customers.

These financial statements were approved by the Board of the Company on 30 March 2026.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of Preparation

The Company’s financial statements have been prepared on a going concern basis, recognised and measured based on the actual transactions and matters incurred, and in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” issued by the Ministry of Finance, as well as specific accounting standards and related regulations (collectively the “**Accounting Standards for Business Enterprises**”). The preparation was also based on established significant accounting policies and accounting estimates.

Going Concern

The Company has the ability to continue as a going concern for at least 12 months from the end of this reporting period, and there are no significant events that would impact its ability to continue as a going concern.

Changes in Significant Accounting Policies and Accounting Estimates

(I) Changes in Significant Accounting Policies

There were no significant changes in accounting policies during the reporting period.

(II) Change in Significant Accounting Estimates

With the ongoing development of the Company's business and the evolving external economic environment, the Company has continued to strengthen the refined management of receivables risk. Correspondingly, the credit risk characteristics of receivables have also undergone changes. Due to the relatively long settlement cycles of engineering projects, the collection period for accounts receivable from downstream customers has been extended, and the recovery of warranty deposit often occurs later than the scheduled dates. As a result, the Company's existing methodology for measuring provisions for bad debts can no longer accurately reflect its actual circumstances. In order to present the Company's financial position and operating results in a more objective and fair manner, and to provide investors with more reliable and accurate accounting information, the Company, in accordance with "Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Correction of Errors" and with reference to the expected credit loss rates of accounts receivable and contract assets adopted by listed companies in the same industry, adjusted the impairment provisions for accounts receivable and contract assets.

This change in accounting estimate relates to the adjustment of provision rates for bad debts under the ageing portfolio of accounts receivable and contract assets. The details are set out below:

Provision ratio	After changes	Before changes
within one year	4.00%	4.00%
1-2 years	8.00%	8.00%
2-3 years	20.00%	30.00%
3-4 years	40.00%	100.00%
4-5 years	60.00%	100.00%
more than 5 years	<u>100.00%</u>	<u>100.00%</u>

In accordance with the requirements of Accounting Standard for Business Enterprises No. 28 – "Changes in Accounting Policies, Accounting Estimates and Corrections of Errors", changes in accounting estimates are applied prospectively. Accordingly, this change in accounting estimates does not require retrospective adjustment to previously published financial statements. The revised accounting estimates have been applied by the Company with effect from 1 July 2025. The impact of the changes in accounting estimates on the major items for the current period is as follows:

Items	After changes	Before changes	Amount of impact
Accounts receivable	160,937,743.64	147,569,746.11	13,367,997.53
Contract assets	271,245,256.70	147,958,044.89	123,287,211.81
Deferred tax assets	82,892,645.53	113,561,986.88	-30,669,341.35
Credit impairment loss	1,084,306.11	-12,283,691.42	13,367,997.53
Asset impairment loss	-22,856,173.82	-146,143,385.63	123,287,211.81
Income tax expense	47,628,380.72	16,959,039.37	30,669,341.35

3. TRADE AND OTHER RECEIVABLES

	2025	2024
Accounts receivable	425,827,579.47	465,052,527.31
Less: Provision for bad debts	264,889,835.83	277,247,227.04
Receivables financing	377,682.00	—
Bills receivable	9,385,579.26	11,984,631.26
Less: Provision for bad debts	375,423.17	479,385.25
Prepayments	13,333,355.49	15,256,505.82
Other receivables	607,603,109.29	1,010,959,340.39
Less: Provision for bad debts	130,428,575.81	277,238,885.98
Interest receivable	—	—
Total	<u>660,833,470.70</u>	<u>948,287,506.51</u>

The accounts receivable disclosed according to the aging of the entry date

	2025	2024
Within 1 year (including one year)	80,994,707.39	101,626,140.40
1 to 2 years (including two years)	26,146,472.52	57,808,869.40
2 to 3 years (including three years)	41,007,070.68	32,736,414.02
3 to 4 years (including four years)	16,375,476.38	27,046,265.36
4 to 5 years (including five years)	24,657,733.85	9,246,751.63
over 5 years	236,646,118.65	236,588,086.50
Total	<u>425,827,579.47</u>	<u>465,052,527.31</u>

4. TRADE AND OTHER PAYABLES

	2025	2024
Accounts payable	314,469,691.97	379,523,727.48
Bills payable	—	—
Advances from customers	65,487.06	—
Other payables	51,498,791.53	50,838,355.76
Contract liabilities	88,904,619.44	97,114,746.89
Total	<u>454,938,590.00</u>	<u>527,476,830.13</u>

The accounts payable disclosed according to the aging of the entry date

	2025	2024
Within 1 year	137,903,330.45	196,049,831.62
1 to 2 years	63,502,181.94	44,287,882.43
2 to 3 years	16,562,259.30	40,389,358.59
Over 3 years	96,501,920.28	98,796,654.84
Total	<u>314,469,691.97</u>	<u>379,523,727.48</u>

7. SEGMENT INFORMATION

For the years ended 31 December 2025, information regarding the Group's reportable operating segments as provided to the Group's chief operating decision makers for the purposes of resources allocation and assessment of segment performance for the year is only derived from system integration, intelligent terminal sales and service businesses. In addition, the Group's operations are situated in the PRC in which its income was derived principally therefrom. Accordingly, no segments information is presented. (2024: nil)

8. GROSS PROFIT

	2025	2024
Operating income	503,955,150.46	439,871,713.59
Operating cost	436,476,787.59	375,625,654.92
Gross profit	<u>67,478,362.87</u>	<u>64,246,058.67</u>

9. FINANCIAL EXPENSES

	2025	2024
Interest expense	23,255,515.10	27,069,007.64
Less: Interest income	364,726.62	693,054.57
Exchange gain and loss	–	233.57
Handling fees payable	221,285.96	523,579.05
Other expenses	–	–
Total	<u>23,112,074.44</u>	<u>26,899,765.69</u>

10. INCOME TAX EXPENSE

	2025	2024
Current income tax expense	63,390.53	5,987,538.31
Deferred income tax expense	47,564,990.19	-50,235,485.89
Total	<u>47,628,380.72</u>	<u>-44,247,947.58</u>

Reconciliation between accounting profit and income tax expense is as follows

	2025	2024
Total profit	-25,496,284.61	-464,997,342.81
Income tax expense calculated at applicable tax rates	-3,824,442.69	-69,749,601.42
Impact of different tax rates applicable to subsidiaries	-6,785,393.81	-39,262,941.14
Income tax adjustments for prior periods	-101,108.94	5,980,741.57
Cost, expenses and losses not deductible for tax purposes	-	-
Effect of additional deductible expenses under tax regulations	-	-
Utilization of deductible loss for the deferred income tax assets unrecognized in the previous period	-	-
Effect of deductible temporary differences or deductible loss for which deferred income tax assets not recognized in the current period	58,339,326.16	58,783,853.41
Income tax expense	<u>47,628,380.72</u>	<u>-44,247,947.58</u>

11. BASIC EARNINGS/LOSS PER SHARE

Basic earnings/loss per share is calculated by consolidated net profit/loss for the current year attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares issued by the Company:

	2025	2024
Consolidated net profit/loss attributable to ordinary shareholders of the parent company	-73,124,665.33	-420,592,151.70
Weighted average number of ordinary shares issued by the Company	792,058,500.00	792,058,500.00
Basic earnings/loss per share (Yuan/share)	<u>-0.092</u>	<u>-0.531</u>

The amount of basic loss per share is the same as the diluted loss per share as there was no dilution during the years ended 31 December 2025 and 2024.

12. DIVIDEND

The Company neither distributed nor proposed to distribute dividend during the year 2025. The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 on 30 March 2026 (2024: nil).

13. NET CURRENT ASSETS

	2025	2024
Current assets	1,332,740,552.71	1,624,126,419.15
Less: Current liabilities	<u>855,794,221.94</u>	<u>1,061,815,660.82</u>
Net current assets	<u><u>476,946,330.77</u></u>	<u><u>562,310,758.33</u></u>

14. TOTAL ASSETS LESS CURRENT LIABILITIES

	2025	2024
Total assets	2,087,534,960.49	2,386,292,423.53
Less: Current liabilities	<u>855,794,221.94</u>	<u>1,061,815,660.82</u>
Total assets less current liabilities	<u><u>1,231,740,738.55</u></u>	<u><u>1,324,476,762.71</u></u>

15. CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Total Operating Income

Total operating income of the Group for the year ended 31 December 2025 amounted to RMB503,955,150.46, representing an increase of approximately 14.57% over last year. The increase was primarily attributable to the gradual recovery of the Group's reputation, the continuous enhancement of its brand image and market competitiveness, and the corresponding improvement in the project tender success rate. Principal operating income amounted to RMB466,617,795.38 as compared to that of RMB409,439,659.83 for the corresponding period last year, representing an increase of approximately 13.96%. Of which income from the system integration business was RMB435,183,481.07, representing an increase of approximately 16.96% as compared to the same period last year; income from the intelligent terminal sales business was RMB18,150,612.19, recording a decrease of approximately 4.31% as compared to the same period last year; income from the services business was RMB13,283,702.12, representing a decrease of approximately 27.72% as compared to the same period last year.

Gross Profit Margin

Gross profit margin of the Group for the year ended 31 December 2025 was approximately 13.39% as compared to the gross profit margin for the same period last year of approximately 14.61%, representing a decrease of approximately 1.22% over last year. The decline in gross profit margin was mainly due to the continued increase in the prices of upstream raw materials, which led to a significant rise in project costs and a notable squeeze on profit margins.

Selling Expenses

Selling expenses of the Group for the year ended 31 December 2025 was RMB32,676,158.65, representing a decrease of approximately 12.72% over last year. The decrease was mainly attributable to the Group's continuous optimisation of its sales channel structure, stringent control over marketing and business expansion expenses, and enhancement of sales and operational efficiency.

Administrative Expenses

Administrative expenses of the Group for the year ended 31 December 2025 was RMB20,048,506.68, representing a decrease of approximately 32.82% over last year. The increase was mainly attributable to the Group's continued strengthening of internal management and expense control, optimisation of its staffing and organisational structure, and stringent control over unnecessary expenditures.

Research and Development Expenses

The research and development expenses of the Group for the year ended 31 December 2025 amounted to RMB23,567,843.41, representing an increase of approximately 23.03% as compared to last year. The increase was primarily attributable to the Group's continued investment in the research and development of core platforms and key technologies, which led to a corresponding rise in laboratory expenses and R&D materials consumption.

Financial Expenses

The finance expenses of the Group for the year ended 31 December 2025 amounted to RMB23,112,074.44, representing a decrease of approximately 14.08% as compared to last year. The decrease was primarily due to the Group's continued optimisation of its debt structure and repayment of certain bank borrowings as scheduled, resulting in a reduction in the scale of interest-bearing liabilities and loans, and hence a decrease in interest expenses as compared with the same period last year.

Credit Impairment Loss

For the year ended 31 December 2025, the Group recorded a reversal of credit impairment loss of RMB1,084,306.11, representing a decrease of RMB137,959,979.98 compared to the same period last year. This was mainly attributable to the provision for impairment of approximately RMB157 million made in 2024 in relation to a litigation case, and no significant individual impairment provision was made during the Reporting Period, resulting in a substantial year-on-year decrease in the overall provision amount.

Asset Impairment Loss

For the year ended 31 December 2025, the Group's asset impairment loss amounted to RMB22,856,173.82, representing a decrease of RMB191,864,007.70 compared to the same period last year which was primarily attributable to the changes in accounting estimates by the Group.

Fair Value Changes

For the year ended 31 December 2025, the Group recorded a gain on changes in fair value of RMB33,522,406.83, representing a turnaround from a loss on changes in fair value for last year and a year-on-year increase of RMB40,760,296.68. The increase was primarily attributable to the appreciation in the valuation of the Group's investment properties and minor property investments as at the end of the Review Period.

Net Loss Attributable to Shareholders of the Parent Company

For the year ended 31 December 2025, the Group recorded a net loss attributable to shareholders of the parent company of RMB73,124,665.33, as compared with the same of RMB420,592,151.70 for last year. The loss was mainly attributable to intensified market competition and the continuous increase in raw material prices, which led to higher product costs, a decline in gross profit margin, and consequently a lower overall profitability.

Financial Resources

The operations of the Group are mainly financed through internally generated cash flow and bank loans. As at 31 December 2025, the Group's bank and other short-term borrowings (including those due within one year) amounted to RMB369,278,840.14, representing a decrease of approximately 27.27% from RMB507,770,267.01 as at 31 December 2024, the annual interest rates on borrowings ranged between 3.75% and 4.80%. The decrease was mainly due to the repayment of part of the loans using internal funds, and no new financing arrangements made. Long-term borrowings and non-current liabilities due within one year totaled RMB70,940,013.00, with an interest rates ranging from 3.96% to 4.06%.

Liquidity

The Group strengthened its accountability for receivables collection and routine financial reconciliation, as at 31 December 2025, accounts receivable and bills receivable were RMB160,937,743.64 and RMB9,010,156.09, respectively, representing a decrease of approximately 14.31% and 21.69% respectively, as compared to RMB187,805,300.27 and RMB11,505,246.01 as at 31 December 2024.

As at 31 December 2025, current assets amounted to RMB1,332,740,552.71 as compared to RMB1,624,126,419.15 as at 31 December 2024; current liabilities were RMB855,794,221.94 as compared to RMB1,061,815,660.82 as at 31 December 2024. The current ratio increased from 1.53 as at 31 December 2024 to 1.56.

During the Review Period, the Group's overall liquidity remained at a healthy level, however, there is still room for improvement in its debt repayment ability, liquidity, and management capabilities.

Pledge of Assets

As at 31 December 2025, the Group had the following assets pledged: (i) the total book value of the Group's assets of RMB487,657,231.61 (including: investment property of RMB423,311,400.00, fixed assets of RMB59,686,604.33, intangible assets of RMB4,659,227.28) were pledged to banks to secure outstanding bank loans of RMB117,620,000.00; (ii) the Group has guaranteed bank deposits of RMB13,785,860.45 (as at 31 December 2024: RMB24,045,392.67) with most of them were used to support the Group's projects bidding/projects in progress and banking facilities.

Gearing Ratio

As at 31 December 2025, the Group's gearing ratio (being sum of short-term loan, long-term loan and non-current liabilities due within 1 year less cash and cash equivalents divided by equity) was approximately 0.1 (2024: 0.28).

Debt Ratio

As at 31 December 2025, the Group's debt ratio (being total assets divided by total liabilities) was 45.99%, representing a decrease of approximately 0.03% as compared to the debt ratio of 48.93% as at 31 December 2024. Currently, the Group's debt ratio is at a relatively reasonable level, with financial risks remaining within a controllable range.

Foreign Currency Exposure

Since the Group mainly conducts its business in the PRC and most of the sales and purchases of the Group were denominated in RMB, the Group's operating results are not exposed to any foreign currency risk.

Summary of Key Financial Ratios

The following table sets forth the key financial ratios of the Group as of 31 December:

	2025 ⁽⁷⁾	2024 ⁽⁸⁾
Net profit ratio ⁽¹⁾	-15.67%	-102.76%
Return on net assets ratio ⁽²⁾	-6.49%	-34.53%
Return on equity ratio ⁽³⁾	-6.49%	-34.53%
Debt ratio ⁽⁴⁾	45.99%	48.93%
Current ratio ⁽⁵⁾	1.56	1.53
Quick ratio ⁽⁶⁾	1.24	1.20

Note:

- (1) Net profit ratio refers to net profit divided by principle operating income
- (2) Return on net assets ratio refers to the net profit divided by net assets
- (3) Return on equity ratio refers to the net profit divided by shareholders' equity
- (4) Debt ratio refers to the total liabilities divided by total assets
- (5) Current ratio refers to total current assets divided by total current liabilities
- (6) Quick ratio refers to current assets less inventory and contract assets divided by current liabilities
- (7) The 2025 financial ratio data is derived from the data of the audited consolidated financial statements as of 31 December 2025
- (8) The 2024 financial ratio data is derived from the data of the audited consolidated financial statements as of 31 December 2024

Significant Investments Held

As of 31 December 2025, saved as disclosed, there were no other investments held with a value of 5% or more of the Group's total assets.

Substantial Acquisition And Disposal

At the extraordinary general meeting of the Company held on 14 November 2025, the shareholders of the Company approved and authorised the Board to proceed with the disposal of the industrial property located at No. 10 Maqun Avenue, Qixia District, Nanjing City, Jiangsu Province, the PRC (the “**Sale Assets**”) through a public listing-for-sale process on the Jiangsu Provincial Property Rights Exchange. The Sale Assets include buildings numbered F1, F3, F4, and F5, with a total building area of 16,955.3 square meters.

On 18 December 2025, the Company was notified by Jiangsu Provincial Property Rights Exchange Co., Ltd. that, through the public listing-for-sale process, Nanjing Institute of Metrology Supervision and Testing* (南京市計量監督檢測院) (the “**Purchaser**”) had been confirmed as the transferee of the Sale Assets. On 8 January 2026, the Company entered into a transaction agreement with the Purchaser for the disposal of the Sale Assets at a final consideration of RMB186,941,250 (inclusive of value-added tax). The proposed disposal is expected to be completed by the first half of 2026.

Saved as disclosed above, during the Review Period, the Group did not have any substantial acquisition and disposal.

Capital Commitment

As at 31 December 2025, the Group did not have any material capital commitment.

Contingent Liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities.

Employees And Remuneration Policies

As at 31 December 2025, total employees' remuneration of the Group was RMB43,244,383.45 (2024: RMB45,744,190.43) and the total number of employees was 190 (2024: 195). The Group remunerated its staffs based on individual performance, educational background and experience and with reference to market price. The Group would grant discretionary bonus to the staffs based on individual performance as recognition of their contribution. Other benefits included contributions to the retirement scheme, medical scheme, unemployment insurance and housing allowances.

INDUSTRY OVERVIEW AND BUSINESS REVIEW

The year 2025 marked the concluding year of the “14th Five-Year Plan”. Under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, China’s economy has navigated through challenges undeterred, withstanding multiple pressures while maintaining a stable and progressive development trajectory. This year witnessed the steady advancement of new quality productive forces and the upgrading of traditional drivers, alongside the gradual emergence of new momentum, with economic structures continuously optimizing and growth drivers innovating. However, we must also recognize the deepening impact of external environmental changes, the prominent domestic imbalance of strong supply against weak demand, as well as the persistent old issues and emerging challenges confronting economic development.

In the intelligent transportation business, overall, China’s highway construction in 2025 continued its steady development underpinned by infrastructure investment, providing a relatively favorable external environment for industry growth. However, new entrants leveraging abundant resources and innovative models have intensified competition, disrupting existing market structures, further compressing profit margins, and posing challenges to market expansion and market share consolidation. Concurrently, the industry is transitioning from “traditional infrastructure” to “digital new infrastructure”, with frontier technologies such as artificial intelligence, cloud computing, and big data reshaping the ecosystem and fostering new quality productive forces, thereby imposing higher demands on enterprises’ technological implementation and transformation capabilities. The Group also faces core challenges including funding pressures, supply-demand mismatches, and sluggish transformation. However, we confront industry-wide shortcomings head-on, acknowledge our own development pain points, and embrace the ethos of “pressing forward amid greater difficulties”. We transform dilemmas into breakthroughs and challenges into momentum, steadfastly market-demand oriented, anchored to high-quality development goals. We deliver comprehensive intelligent highway informatization solutions from consultancy and planning to integrated software and hardware development, system integration, network construction, and operations & maintenance services. The scope of business covers multiple sectors including toll collection and settlement, intelligent operations, electromechanical engineering, and mobility services.

During the Review Period, the world’s first “public-rail composite multifunctional” river crossing channel – Changtai Yangtze River Bridge, which had been under construction for six years, was officially opened to traffic. The Group undertook the construction of the bridge’s “Intelligent Operation Command Centre” for sections CT-91, CT-942, and CT-943, providing technical support for seamless full-line traffic flow, while developing an “ever-evolving exemplary integrated implementation platform” that offers a reference implementation paradigm for similar intelligent transportation projects.

In the project delivery phase, leveraging its professional technical expertise and efficient execution capabilities, the Group successfully completed the acceptance of the variable message sign encryption project for Suhuaiyan Company Road, the intelligent site enhancement project for G1522 Changtai Expressway – lane intelligent upgrade and highland linkage construction project, as well as the electromechanical engineering construction project for the Yangkou Port to Rudong urban section of the Yangkou Port to Nantong Expressway, and the electromechanical engineering construction project

for the Haimen to Tongzhou section of the Nantong to Wuxi Expressway. These deliveries enhanced highway management efficiency, optimised electromechanical equipment operation and maintenance models, and provided the public with efficient and convenient travel experiences, further demonstrating the Group's deep expertise in this niche market segment. Meanwhile, the successful acceptance of the electromechanical engineering project for Tebala service area to Dazhuka section of Lhasa to Rikaze Airport section of the Ya'an to Yecheng National Expressway not only underscored the Group's strong comprehensive performance capabilities but also offered replicable experience for the construction of major transportation projects in highland regions.

During the Review Period, the Group successively secured bids for multiple high-quality projects. These included the newly signed electromechanical engineering construction project for the Jiawang to Suining section of the Xuzhou to Mingguang Expressway (Xuzhou East Bypass Expressway), the electromechanical engineering monitoring system construction project for the expansion of the Taicang to Changzhou section of the Shanghai-Wuxi Expressway, and the monitoring system project for the expansion of the Xueyan Hub to Xiwu Hub section of the Wuxi to Yixing Expressway, all of which are key expressway construction projects in Jiangsu Province. In addition, with the Group united in resolve and steadfast in execution, projects such as the expansion project of the Yongtai-Wen Expressway (G15 Shenyang-Haikou National Expressway), along with the monitoring, communication, and lighting system construction project for the expansion of the Guangling Hub to Jingjiang Hub section of the Beijing-Shanghai Expressway, were successively launched and signed. These achievements not only highlight the Group's profound expertise and core strengths in intelligent expressway construction but also solidify its industry-leading position in the intelligent transportation development track.

In the intelligent logistics business, the "Guidance on Smart Port Construction" jointly issued by the General Administration of Customs and eight other departments provides policy support and directional guidance for the intelligent upgrading of ports. The construction of smart ports will synergize with "smart customs" construction and the "Smart Customs Powerhouse" action, complementing each other. Meanwhile, China's smart port industry value chain has matured, with increasing industry entrants sparking homogenized competition and price wars that erode profits. Amid challenges such as demand volatility, elevated costs, intensified internal competition, and stringent compliance pressures, the Group leverages its inherent strengths, precisely positions itself, and actively embraces digital transformation. We are committed to delivering comprehensive intelligent solutions, including informatization planning, software and hardware products, information system integration, and operations and maintenance services, to clients in logistics field such as customs, special customs-supervised zones, ports, airports, and other logistics sectors. Through digitalized, networked, and intelligent port construction, we aim to enhance regulatory efficiency, reduce regulatory costs, improve customs clearance convenience, and reshape a multi-boundary, systematic port ecosystem. We will continue to deepen the construction of smart port, actively promoting the evolution of cross-border trade toward greater intelligence, efficiency, and collaboration.

Facing intense market competition, the Group consistently adopts a proactive stance, eschewing vicious low-price competition, focusing on elevating service quality, continuously optimising cost controls, reducing rigid expenditures, and building corporate reputation through high-quality services to attract stable clientele, thereby sustaining steady overall market growth. During the Review Period, the Group efficiently and successfully completed acceptance for multiple projects, including the supporting facilities installation project for Multi-Purpose Terminal Inbound Fruit Designated Supervision Site in Jiujiang Port City West Port Area, the customs informatisation project for Hebei Gaobeidian (B) – Type Bonded Logistics Centre, and the informatisation system project for Yuncheng Bonded Logistics Centre and Supporting Facilities Construction Project (Phase I). Notably, the informatisation project for Shangrao Economic Development Zone Comprehensive Bonded Zone Construction (Phase I) passed the on-site acceptance by a joint inspection team comprising the General Administration of Customs, the National Development and Reform Commission, the Ministry of Finance, and four other central ministries, with the infrastructure and intelligent supervision systems constructed by the Group receiving high commendation from the inspection team.

At the same time, during the Review Period, the Group secured a number of high-quality projects, including the digital integration project for China Telecom Corporation Limited Zhangjiagang Branch, the expansion project (intelligent component) for the Zhujiqiao Port Area of Anhui Wuhu Port, the construction project for New Zhongdian Hongxin System, and the informatization equipment procurement project for Yingtan International Inland Port Bonded Logistics Centre (Type B). Notably, the information platform construction project for Bengbu Comprehensive Bonded Zone, undertaken by the Group, will improve regulatory efficiency, reduce regulatory costs and enhance customs clearance facilitation, thereby supporting the high-quality development of Bengbu Comprehensive Bonded Zone.

Technology R & D and Innovation Development

Since its inception, the Group has adhered to independent innovation, maintaining a stable core R&D team with strong capabilities in proprietary research and development and technological innovation. Through years of deep cultivation and experience accumulation, the Company has obtained comprehensive industry qualifications and professional certifications at elevated levels, holding over 100 software copyrights and invention patents, establishing a robust proprietary intellectual property system and core technological barriers.

During the Review Period, the Group continued to promote research under the sub-project “Major Accident Risk Prevention and Emergency Evasion Technology for Road Transport Vehicles” within the national key R&D programme “Prevention and Control for Major Natural Disaster and Public Safety”. In June 2025, the project successfully passed the mid-term assessment conducted by the Ministry of Science and Technology. This project established an industry-leading application model for smart control of vehicle operational risks throughout the entire process of road transport operations, significantly enhancing proactive prevention capabilities against major accident risks.

In April 2025, the technology achievement transformation project “Research and Industrialization of Expressway Collaborative Induction System” in Qixia District, Nanjing City undertaken by the Group successfully passed the acceptance inspection. In May 2025, the Group successfully completed the evaluation and acceptance of the sub-project “Innovative Application of Big Data in Road Transport Safety Management”, under the special task of “Integrated Transport Big Data Pilot for Building a Strong Transportation Nation” led by the Scientific Research Institute of the Ministry of Transport. In June 2025, the Group participated in the key program of governmental international scientific and technological innovation cooperation, led by Southeast University, titled “Research on Key Technologies for Low-Emission Driver Behavior Modification”, which successfully passed the comprehensive performance evaluation conducted by the Ministry of Science and Technology. In November 2025, the “Jiangsu Smart Expressway Engineering Technology Research Center” Project, established under the Group’s sponsorship, successfully passed the acceptance inspection organized by the Nanjing Municipal Science and Technology Bureau. In December 2025, the Group, in collaboration with Nanjing Customs, participated in the “2025 Excellent Information and Technology Application Innovation Solutions (Application Cases) and Benchmark Projects Selection” organized by the Jiangsu Provincial Department of Industry and Information Technology and other authorities. The jointly submitted project, “Application Case of the Logistics Monitoring System for Nanjing Customs Based on Information Innovation Technology” was successfully shortlisted as an “Application Case and Leading Practice Project”.

During the Review Period, the Group continued to strengthen its R&D team, focusing on enhancing R&D personnel’s understanding and expertise in new technologies and emerging industries. Centred around core areas such as “artificial intelligence”, “digital twins and 3D reconstruction technology”, and “image processing and unmanned driving”, the Group organised multiple specialised training sessions and technical exchange activities led by experts and scholars. Through ongoing technical learning and capability enhancement, the Group achieved significant results in the commercialisation of scientific and technological innovations, with steady progress in intellectual property management, and applying for 5 new invention patents, of which 3 have been approved; Four software copyrights were applied for and four were approved; Apply for and obtain approval for 3 software products.

Compliance Management

During the Review Period, in order to ensure the Group’s high-quality business development, the Company continued to reinforce the core leadership role of Party building, promoting the deep integration of Party activities with business operations on a regular basis, conducting rigorous self-inspection and self-correction in strict compliance with the Central Eight Regulations, and strengthening the ideological foundation for compliant operations. At the same time, focusing on key areas such as management enhancement, talent team building, resolution of legacy issues, and risk and compliance control, the Company fully implemented transparent procurement management and strictly enforced the safety production responsibility system, while continuously reducing costs and boosting efficiency and actively optimising the operational development environment, thereby facilitating sustainable growth for the enterprise under controllable risks.

Future Business Plan

During the Review Period, despite facing multiple challenges such as limited market expansion, constrained production capacity, and urgent resolution of legacy issues, the Group steadfastly adhered to a development strategy centred on “enhancing efficiency, boosting profitability and reducing costs”, underpinned by robust foundations in talent development, compliance management, and internal control systems. By focusing on key annual priorities and achieving breakthroughs through high-calibre execution, the Group ensured the effective implementation of all initiatives, resulting in a consistently positive overall development trajectory.

Looking ahead, the Group will adhere to the overarching approach of “stable growth, structural optimisation and development advancement”, proactively exploring industry technology trends with a comprehensive, dialectical, and long-term perspective on opportunities and challenges. This approach entails seizing new opportunities arising from industrial transformation, while strengthening bottom-line thinking and risk awareness, and striving to overcome various risks and challenges. In the smart logistics business sector, the Group will pursue a core market strategy of “maintaining existing markets, deeply cultivating traditional demand, and expanding new product applications”. It will continue to advance research and development and construction of demonstration projects in cross-border logistics technology, integrate premium resources from customs and third-party logistics providers, and develop an integrated service information system for full-process tracking and in-transit cargo visibility management, thereby continuously broadening market boundaries and enhancing competitiveness. In the smart transportation business sector, the Group will adopt a striving posture of “decisive action from the outset and sprinting from the start”, actively participating in the construction of smart transportation projects in various regions, leveraging policy support to increase market share, maximising its technological strengths to boost innovation capabilities, proactively expanding market channels and strengthening brand building to elevate customer satisfaction and loyalty, and optimising internal management processes while rigorously controlling operating costs to comprehensively improve overall operational efficiency.

The Group will take “action” as priority, “practicality” as key, abandon “waiting, relying, demanding” mentality, refine response measures, and establish a robust mechanism for work coordination and progress monitoring. Clear accountability, detailed timelines, and strengthened supervision and evaluation will be implemented to ensure that every initiative delivers concrete outcomes and every challenge is properly addressed. Meanwhile, the Group will align with industry development trends while balancing short-term relief with long-term growth. Building on our efforts to overcome current difficulties, we will take a scientific planning approach to the “15th Five-Year Plan” development strategy, continuously optimizing our business structure and enhancing core competitiveness. The Group will proactively integrate into the overall national development strategy of stabilizing the economy, improving domestic circulation, and promoting openness. Through diligence, commitment, and innovation, we aim to drive high-quality development, secure a solid position, and seize emerging opportunities amid the industry’s “Great Clearing” and “Great Transformation”, demonstrating the Group’s responsibility and commitment.

In addition, the Group will formulate targeted strategies across multiple dimensions, including capital management, business operations, technology development, talent cultivation, and compliance control, to strengthen organizational resilience in the face of uncertainties. Through continued enhancement of refined management of core businesses, the Group will focus on addressing short-term development difficulties while steadily consolidating the foundation for long-term development, supporting sustainable growth under a well-managed risk framework.

Research and Development Plan

The Group is committed to empowering customer value creation through technology. Focusing on the research and development of core technologies in radio-frequency identification (RFID), video recognition, the Internet, big data, and artificial intelligence, the Group concentrates its efforts on key areas such as intelligent transportation and smart logistics. We provide customers with integrated Internet of Things (IoT) smart system solutions encompassing information collection, processing, and management control, striving to become an industry-leading provider of Internet of Things solutions.

In the intelligent transportation business sector, the Group leverages the platform advantages of the “Jiangsu Province Intelligent Expressway Engineering Technology Research Center” to fully integrate the data resources of its existing expressway management systems of the Company. Building on vehicle-road collaborative application services, the Group has established data exchange channels with various platforms to achieve data interconnection and interoperability. This initiative not only enhances data support for test-end but also promotes the integrated and efficient utilization of system resources, laying a solid foundation for the development of new application services and the expansion of business boundaries.

In the intelligent logistics business sector, the Group relies on the “Nanjing Cross-Border Logistics Informatization Engineering Technology Research Center” focuses on develop of bayonet control systems for vehicle passage oriented to customs regulatory departments and park operating units. As one of the core tools for customs logistics monitoring, the system enables fully automated operations, including automatic collection, automatic comparison and release, automatic inspection and release, to support unmanned and automated control at customs checkpoints. This solution ensures the objectivity and accuracy of on-site data, strengthens customs supervision, and enhances clearance efficiency.

As 2026 marks the first year of the Nation’s “15th Five-Year Plan”, the Group is full of confidence in future development and is firmly committed to pursuing a path of technological innovation, continuously shaping its image as a technology-driven enterprise. Looking ahead, the Group will further strengthen its service capabilities and enhance product functions, consolidate the conversion of research achievements into business outcomes, and reinforce the foundation for sustainable growth. The Group will also intensify market expansion efforts and continuously strengthen its core competencies in technology and product innovation, driving high-quality corporate development through technological advancement and contributing to the successful commencement of the “15th Five-Year Plan”.

DIRECTORS' SERVICE CONTRACTS

All Directors have entered into service contracts with the Company. The service contracts shall expire on 31 December 2027 and the further renewal of a term of 3 years shall be subject to the shareholders' approval at the forthcoming general meeting of the Company.

Save as disclosed above, no Directors has a service contract with the Company and its subsidiaries which is not terminable by the Company within one year without payment, other than statutory compensation.

COMPETING BUSINESS AND CONFLICTS OF INTERESTS

None of the Directors or substantial shareholders or any of their respective associates (as defined in the rules governing the listing of securities on the Stock Exchange (the “**Listing Rules**”)) is engaged in any business which competes or is likely to compete with the business of the Group, and none of them has other conflicts of interests with the Group.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 27 August 2003 with terms of reference. The primary duties of the Audit Committee are to supervise the financial reporting process, the internal control and risk management of the Company.

During the Review Period, the Audit Committee comprised three independent non-executive Directors, namely Mr. Gao Lihui (the Chairman of the Audit Committee), Mr. Hu Hanhui and Ms. Chung Yuet Mei. On 9 January 2026, Mr. Gao Lihui ceased to serve as a member and chairman of the Audit Committee and Mr. Hu Hanhui ceased to serve as a member of the Audit Committee, while Mr. Zhang Bin was appointed as a member and chairman of the Audit Committee and Ms. Xu Gaoyan was appointed as a member of the Audit Committee. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Zhang Bin (the Chairman of the Audit Committee), Ms. Xu Gaoyan and Ms. Chung Yuet Mei. The Audit Committee has reviewed the audited results of the Group for the Review Period and has provided advice and comments thereon.

DIRECTORS' INTERESTS IN CONTRACTS

On 13 December 2024, the Company (as the lessor) and Nanjing Sample Technology Group Company Limited* (南京三寶科技集團有限公司) (“**Sample Group**”) (as the lessee) had renewed the property leasing framework agreement for a term of three years commencing from 1 January 2025 and ending on 31 December 2027. Pursuant to the property leasing framework agreement, the Company agreed to lease their lawfully owned properties to Sample Group and its associates (as defined under the Listing Rules) and Sample Group agreed to rent and procure the members of Sample Group and its associates to rent the lawfully owned properties of the Company.

On 24 January 2025, the Company entered into a Property Management Entrusted Service Contract with Qingdao Haihui Wanjia Urban Services Co., Ltd.* (青島海惠萬家城市服務有限公司) (“**Haihui Wanjia**”), pursuant to which Haihui Wanjia shall provide property management services in respect of the target properties to the Company for a term commencing from 1 February 2025 to 31 December 2027. 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) (“**Haifa Group**”) is the Company’s indirect controlling shareholder, and Haihui Wanjia is an indirect non-wholly-owned subsidiary of Haifa Group. Accordingly, Haihui Wanjia is a connected person of the Company, and the property management entrusted service contract constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Mr. Sha Min (“**Mr. Sha**”), a Director of the Company, held 60.40% equity interest in Jiangsu Sample Holding Co., Ltd.* (江蘇三寶控股有限公司), which in turn holds 49% equity interest in Sample Group, the controlling shareholder of the Company. In addition, Mr. Liu Fei (“**Mr. Liu**”), a Director of the Company, serves as a director of Sample Group. Accordingly, each of Mr. Sha and Mr. Liu is regarded as having a material interest in the property leasing framework agreement and the property management entrusted service contract.

Save as disclosed above, no contract of significance was entered into by the Company or any of its subsidiaries with Directors or Supervisors involving direct or indirect material interest, subsisted at the end of the year or at any time during the year.

CORPORATE GOVERNANCE CODE

The Company has adopted all the requirements of the code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual.

On 10 November 2025, the Board of the Company resolved to remove Mr. Sha Min from his positions as Chairman of the Board and Chief Executive Officer of the Company, and Mr. Liu Fei (“**Mr. Liu**”), a non-executive Director of the Company, was re-designated as an executive Director and appointed as Chairman of the Board and Chief Executive Officer of the Company, whereby Mr. Liu assumes both roles of Chairman and Chief Executive Officer. Having assessed the current circumstances of the Company and taken into account Mr. Liu’s experience and past performance, the Board is of the view that it is appropriate for Mr. Liu to hold both roles of Chairman and Chief Executive Officer at this stage. This arrangement will ensure consistent leadership and policy-making, facilitates stable operations, and enhances the efficiency of the Company’s overall strategic planning, business decision-making, and execution. In addition, the other two executive Directors have been appointed as Vice Presidents of the Company to assist Mr. Liu in overseeing the day-to-day business operations. The Board believes that this management structure will better support the Company’s future development and improve its operational performance. Under the supervision of the Board, which currently comprises three executive Directors, one non-executive Director, and three independent non-executive Directors, there exists an appropriate balance of power and authority to provide sufficient checks and balances for safeguarding the interests of the Company and its shareholders. Accordingly, the Board considers that the deviation from code provision C.2.1 of the Corporate Governance Code in this regard is appropriate.

Save as disclosed above, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules for the Review Period.

CHANGE IN CONSTITUTIONAL DOCUMENT

On 17 January 2025, the shareholders of the Company approved certain amendments to the Company's articles of association to (i) change the Company's business scope in alignment with the business development of the Group; and (ii) further comply with the relevant provisions of the PRC Company Law effective from 1 July 2024. At the same time, based on the Company's actual situation, other minor amendments and corresponding changes to the articles of association were made. Details of the amendments were disclosed in the Company's circular dated 27 December 2024.

On 19 August 2025, the shareholders of the Company approved certain amendments to the articles of association of the Company. The major amendments include, among others: (1) abolishing the establishment of the supervisory committee, with its statutory functions and powers to be exercised by the Audit Committee; (2) strengthening the management of information disclosure; (3) change in the business scope of the Company; (4) amendments to relevant provisions of the articles of association to reflect updates in applicable laws and regulations; and (5) other housekeeping and miscellaneous amendments. Details of the amendments were set out in the circular of the Company dated 25 July 2025.

Save as disclosed above, there has been no significant change in the Company's articles of association during the Review Period.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the financial statements, the Company did not commit any future plan for material investment or capital assets.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix C3 to the Listing Rules. Having made specific enquiry with all Directors, the Directors have complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 December 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Review Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

FINAL DIVIDEND

In consideration of multiple uncertain risks in the industry, combined with the Company's long-term development goals and short-term operating conditions, thus, at the board meeting held on 30 March 2026, the Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

PUBLICATION OF ANNUAL REPORT

The 2025 annual report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company who have indicated that they wish to receive a printed version of the corporate communication and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.samples.com.cn in due course.

By Order of the Board
Nanjing Sample Technology Company Limited*
Liu Fei
Chairman

Nanjing, the PRC
30 March 2026

As at the date hereof, the executive Directors are Mr. Liu Fei (Chairman), Mr. Ma Fengkui and Mr. Liu Min, the non-executive Director is Mr. Zhang Chengji; and the independent non-executive Directors are Mr. Zhang Bin, Ms. Xu Gaoyan and Ms. Chung Yuet Mei.

* *For identification purpose only*