



智慧创造品质生活

# 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



Interim Report  
**2024**

\* for identification purpose only

The total operating income of the Group for the six months ended 30 June 2024 (the “Review Period”) amounted to RMB219,536,324.01, representing a decrease of approximately 25.01% as compared to the corresponding period of last year.

The net loss attributable to shareholders of the parent company for the six months ended 30 June 2024 was RMB15,475,193.51, as compared to the net profit attributable to shareholders of the parent company of RMB26,197,152.00 for the corresponding period of last year, with a regressed performance.

The basic loss per share for the six months ended 30 June 2024 was approximately RMB0.020 (corresponding period of 2023: basic earnings per share of approximately RMB0.033).

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

# Financial Information

## UNAUDITED INTERIM RESULTS

The board (the “Board”) of Directors of Nanjing Sample Technology Co., Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 together with the comparative figures of 2023 as follows:

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

## CONSOLIDATED BALANCE SHEET

At 30 June 2024

<b>ASSETS</b>	<i>Note</i>	<b>At 30 June 2024 (Unaudited)</b>	At 31 December 2023 (Audited)
<b>Current assets:</b>			
Cash at bank and on hand		<b>480,375,885.16</b>	367,102,242.55
Settlement provisions		-	-
Placements with banks and other financial institutions		-	-
Held-for-trading financial assets		-	-
Derivative financial assets		-	-
Bills receivable	<i>8</i>	<b>606,385.20</b>	8,461,306.31
Accounts receivable	<i>8</i>	<b>208,855,083.52</b>	256,706,725.95
Receivables financing	<i>8</i>	-	-
Prepayments	<i>8</i>	<b>47,860,439.63</b>	23,317,070.38
Premiums receivable		-	-
Reinsurance receivable		-	-
Reinsurance contract reserve receivable		-	-
Other receivables	<i>8</i>	<b>730,776,119.49</b>	862,555,910.98
Financial assets purchased under agreements to resell		-	-
Inventories		<b>52,127,589.69</b>	50,343,051.37
Contract assets		<b>491,999,234.58</b>	509,152,962.69
Held-for-sale assets		-	-
Non-current assets due within one year		-	-
Other current assets		<b>63,607,912.47</b>	63,188,346.10
<b>Total current assets</b>		<b>2,076,208,649.74</b>	2,140,827,616.33

## CONSOLIDATED BALANCE SHEET (Continued)

At 30 June 2024

ASSETS (CONTINUED)	<i>Note</i>	At 30 June 2024 (Unaudited)	At 31 December 2023 (Audited)
<b>Non-current assets:</b>			
Loans and advances granted		–	–
Debt investment		–	–
Other debt investment		–	–
Long-term receivables		–	–
Long-term equity investments		10,121,697.55	10,121,697.55
Other equity instruments investment		47,702,656.62	47,702,656.62
Other non-current financial assets		109,844,255.12	110,105,741.25
Investment property		432,018,591.53	432,018,591.53
Fixed assets		47,313,154.22	50,520,450.88
Construction in progress		143,584.07	–
Productive biological assets		–	–
Oil and gas assets		–	–
Right-of-use assets		–	–
Intangible assets		4,007,519.97	4,519,828.31
Development expenditures		–	–
Goodwill		–	–
Long-term deferred expenses		118,496.79	–
Deferred income tax assets		78,636,072.28	78,636,072.28
Other non-current assets		–	–
<b>Total non-current assets</b>		<b>729,906,028.15</b>	<b>733,625,038.42</b>
<b>TOTAL ASSETS</b>		<b>2,806,114,677.89</b>	<b>2,874,452,654.75</b>

# Financial Information

## CONSOLIDATED BALANCE SHEET (Continued)

At 30 June 2024

LIABILITIES & SHAREHOLDERS' EQUITY	Note	At 30 June 2024 (Unaudited)	At 31 December 2023 (Audited)
<b>Current liabilities:</b>			
Short-term borrowings		511,770,000.00	601,489,799.67
Borrowings from central bank		-	-
Placements from banks and other financial institutions		-	-
Held-for-trading financial liabilities		-	-
Derivative financial liabilities		-	-
Bills payable	9	-	100,000.00
Accounts payable	9	431,710,654.56	400,356,578.17
Advances from customers	9	-	-
Contract liabilities	9	54,260,850.91	43,275,025.51
Financial assets sold under repurchase agreements		-	-
Customer deposits and deposits from banks and other financial institutions		-	-
Securities trading of agency		-	-
Securities underwriting		-	-
Employees benefits payable		14,260,303.59	14,528,169.74
Taxes payable		2,958,072.94	4,121,296.98
Other payables	9	50,531,085.58	52,968,356.17
Fee and commission payable		-	-
Reinsured accounts payable		-	-
Held-for-sale liabilities		-	-
Non-current liabilities due within 1 year		6,700,000.00	6,000,000.00
Other current liabilities		2,398,696.44	3,588,963.78
<b>Total current liabilities</b>		<b>1,074,589,664.02</b>	<b>1,126,428,190.02</b>

## CONSOLIDATED BALANCE SHEET (Continued)

At 30 June 2024

<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY (CONTINUED)</b>	<i>Note</i>	<b>At 30 June 2024 (Unaudited)</b>	At 31 December 2023 (Audited)
<b>Non-current liabilities:</b>			
Insurance contract reserves		–	–
Long-term borrowings		<b>74,550,000.00</b>	78,250,000.00
Bonds payables		–	–
Including: Preferred shares		–	–
Perpetual bond		–	–
Lease liabilities		–	–
Long-term payables		–	–
Long-term employees benefits payable		–	–
Estimated liabilities		–	–
Deferred income		<b>1,265,036.28</b>	126,451.87
Deferred income tax liabilities		<b>36,473,340.13</b>	36,482,759.62
Other non-current liabilities		–	–
<b>Total non-current liabilities</b>		<b>112,288,376.41</b>	114,859,211.49
<b>Total liabilities</b>		<b>1,186,878,040.43</b>	1,241,287,401.51
<b>Shareholders' equity:</b>			
Share capital		<b>792,058,500.00</b>	792,058,500.00
Other equity instruments		–	–
Including: Preferred shares		–	–
Perpetual bond		–	–
Capital reserves		<b>80,999,419.73</b>	80,999,419.73
Less: treasury stocks		–	–
Other comprehensive income		<b>105,001,510.93</b>	103,396,141.60
Special reserves		–	–
Surplus reserves		<b>108,136,584.74</b>	108,136,584.74
General risk provision		–	–
Undistributed profits		<b>524,272,888.09</b>	539,748,081.60
Total equity attributable to shareholders of the parent company		<b>1,610,468,903.49</b>	1,624,338,727.67
Minority interest		<b>8,767,733.97</b>	8,826,525.57
<b>Total shareholders' equity</b>		<b>1,619,236,637.46</b>	1,633,165,253.24
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,806,114,677.89</b>	2,874,452,654.75

# Financial Information

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

ITEMS	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>I. Total operating income</b>	2	<b>219,536,324.01</b>	292,771,678.34
Including: Operating income		<b>219,536,324.01</b>	292,771,678.34
Interest income		-	-
Premiums earned		-	-
Fee and commission income		-	-
<b>II. Total operating cost</b>		<b>235,538,110.01</b>	271,584,589.90
Including: Operating costs	2	<b>189,241,816.36</b>	232,070,501.07
Interest expenses		-	-
Fee and commission expenses		-	-
Refunded premiums		-	-
Net expenses of claim settlement		-	-
Net provisions for insurance contract		-	-
Insurance policy dividend payment		-	-
Reinsurance expenses		-	-
Tax and surcharges		<b>2,049,131.07</b>	2,453,267.62
Selling expenses		<b>14,312,689.41</b>	15,457,693.65
Administrative expenses		<b>14,528,899.85</b>	18,206,562.63
R&D expenses		<b>7,975,148.81</b>	9,393,466.62
Financial expenses	4	<b>13,196,906.89</b>	16,822,627.60
Including: Interest expenses	4	<b>13,229,749.43</b>	17,556,583.21
Interest income	4	<b>167,809.44</b>	831,019.13

## CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2024

ITEMS	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Add: Other income		373,489.27	4,434,761.22
Investment income (losses are represented by "-")		-	-
Including: Investment income of associates and joint ventures		-	-
Gains arising from derecognition of financial assets measured at amortized costs		-	-
Exchange gain (losses are represented by "-")		-	-
Income on hedging the net exposure (losses are represented by "-")		-	-
Gain from changes in fair value (losses are represented by "-")		-	-
Credit impairment loss (losses are represented by "-")		5,766,482.38	22,819,529.29
Asset impairment loss (losses are represented by "-")		-	-
Gains from disposal of assets (losses are represented by "-")		-	-
<b>III. Operating profit (losses are represented by "-")</b>		<b>-15,628,296.73</b>	<b>25,621,849.66</b>
Add: Non-operating income		285,127.09	100.38
Less: Non-operating expenses		70,700.00	13,934.75
<b>IV. Total profit (total losses are represented by "-")</b>		<b>-15,413,869.64</b>	<b>25,608,015.29</b>
Less: Income tax expense	5	120,115.47	-375,710.37
<b>V. Net profit (net losses are represented by "-")</b>		<b>-15,533,985.11</b>	<b>25,983,725.66</b>
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses are represented by "-")		-15,533,985.11	25,983,725.66
2. Net profit from discontinued operations (net losses are represented by "-")		-	-
(II) Classified by the attribution of the ownership			
1. Net profit attributable to shareholders of the parent company (net losses are represented by "-")		-15,475,193.51	26,197,152.00
2. Profit or loss attributable to minority shareholders (net losses are represented by "-")		-58,791.60	-213,426.34



# Financial Information

## CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2024

ITEMS	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>VI. Net other comprehensive income after tax</b>		<b>1,605,369.33</b>	984,904.13
(I) Net other comprehensive income after tax attributable to shareholders of the parent company		<b>1,605,369.33</b>	984,904.13
1. Other comprehensive income which cannot be reclassified to profit and loss		-	-
(1) Changes as a result of re-measurement of defined benefit plan		-	-
(2) Other comprehensive income that cannot be reclassified to profit and loss under equity method		-	-
(3) Changes in fair value of other equity instruments investment		-	-
(4) Changes in fair value of the enterprise's own credit risk		-	-
2. Other comprehensive income which can be reclassified to profit and loss		<b>1,605,369.33</b>	984,904.13
(1) Other comprehensive income that can be reclassified to profit or loss under equity method		-	-
(2) Changes in fair value of other debt investment		-	-
(3) Amount of financial assets reclassified to other comprehensive income		-	-
(4) Provision for credit impairment of other debt investment		-	-
(5) Cash flow hedging reserve		-	-
(6) Translation difference of financial statements in foreign currencies		<b>1,605,369.33</b>	984,904.13
(7) Others		-	-
(II) Net other comprehensive income after tax attributable to minority shareholders		-	-

## CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2024

ITEMS	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>VII. Total comprehensive income</b>		<b>-13,928,615.78</b>	26,968,629.79
(I) Total comprehensive income attributable to shareholders of the parent company		<b>-13,869,824.18</b>	27,182,056.13
(II) Total comprehensive income attributable to minority shareholders		<b>-58,791.60</b>	-213,426.34
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (Yuan/share)	6	<b>-0.020</b>	0.033
(II) Diluted earnings per share (Yuan/share)		<b>-0.020</b>	0.033

# Financial Information

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Six months ended 30 June	
	2024	2023
<b>I. Cash flows from operating activities</b>		
Net cash flows from operating activities	<b>68,750,707.01</b>	-116,609,736.66
<b>II. Cash flows from investing activities</b>		
Net cash flows from investing activities	<b>554,968.83</b>	8,545,572.36
<b>III. Cash flows from financing activities</b>		
Net cash flows from financing activities	<b>-106,039,794.35</b>	18,637,471.73
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>3,337.66</b>	11,973.23
<b>V. Net increase in cash and cash equivalents</b>	<b>-36,730,780.85</b>	-89,414,719.34
Add: Cash and cash equivalents at beginning of period	<b>340,989,178.69</b>	308,915,828.15
<b>VI. Cash and cash equivalent at end of period</b>	<b>304,258,397.84</b>	219,501,108.81

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Sum months ended 30 June 2024														
	Equity attributable to shareholders of the parent company					Other equity instruments					Total shareholders' equity				
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision		Undistributed profits	Others	Sub-total	Minority interest
I. Opening balance of prior year	792,058,500.00	-	-	-	80,999,493.73	-	103,395,141.60	-	108,135,594.74	-	539,740,061.60	-	1,624,328,727.67	8,826,255.57	1,633,155,253.24
II. Changes during the period with "1" for decrease and "2" for increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Total comprehensive income	-	-	-	-	-	-	1,603,598.93	-	-	-	-15,475,933.51	-	-1,059,284.18	-30,791.60	-13,920,863.78
IV. Shareholders' contribution and share capital reduction	-	-	-	-	-	-	1,603,598.93	-	-	-	-15,475,933.51	-	-1,059,284.18	-30,791.60	-13,920,863.78
1. Ordinary shares contribution by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share payment included in the shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Closing balance of current year	792,058,500.00	-	-	-	80,999,493.73	-	103,395,141.60	-	108,135,594.74	-	539,740,061.60	-	1,624,328,727.67	8,826,255.57	1,633,155,253.24

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (Continued)

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Six months ended 30 June 2024										Total shareholders' equity				
	Equity attributable to shareholders of the parent company					Equity attributable to shareholders of subsidiaries									
	Share capital	Preference shares	Residual bonds	Other	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision		Undistributed profits	Others	Sub-total	Minority interest
(M) Profit appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation to general risk provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(M) Internal transfer of shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves to cover losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Dividend/benefit plan changes carried forward to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (Continued)

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Six months ended 30 June 2024														
	Equity attributable to shareholders of the parent company														
	Other equity instruments		Less:		Other		Special		General risk		Total				
Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury stock	comprehensive income	Special reserve	Surplus reserve	provision	Undistributed profits		Others	Sub-total	Minority interest	shareholders' equity
(M) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilised in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(M) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Compliance of current period	792,058,500.00	-	-	-	80,599,493.73	-	(15,015,102.93)	-	(8,135,504.71)	-	524,272,588.09	-	(5,014,663,003.49)	8,787,783.57	(519,208,887.46)

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

Six months ended 30 June 2024

Equity attributable to shareholders of the parent company

ITEMS	Other equity instruments										Total			
	State capital	Preference shares	Retained earnings	Capital reserve	Less: Treasury stock	Other comprehensive income	Social reserve	Surplus reserve	General risk provision	Undistributed profits		Others	Subtotal	Minority interest
I. Opening balance of prior year	782,058,801.00	-	-	80,092,419.73	-	91,735,511.88	-	104,128,024.15	-	530,699,977.42	-	1,549,645,359.18	99,465,974.93	1,649,111,334.11
Add: Changes of accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of accounting errors for prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of current year	782,058,801.00	-	-	80,092,419.73	-	91,735,511.88	-	104,128,024.15	-	530,699,977.42	-	1,549,645,359.18	99,465,974.93	1,649,111,334.11
III. Changes during the period (with "+" for decrease)	-	-	-	-	-	99,494.13	-	-	-	26,197,782.00	-	27,182,056.13	-270,460.34	26,966,828.79
(A) Total comprehensive income	-	-	-	-	-	99,494.13	-	-	-	26,197,782.00	-	27,182,056.13	-270,460.34	26,966,828.79
(B) Shareholders' contribution and state capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contribution by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. State capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. State payment included in the shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (Continued)**

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

Six months ended 30 June 2024

Expatriated to shareholders of the parent company

ITEMS	Other equity instruments						Subsidiary	Others	Surplus reserve	General provision	Undistributed profits	Minority interest	Total shareholders' equity
	Share capital	Preference shares	Preferred bonds	Capital reserve	Less: Treasury stock	Other comprehensive income							
(M) Profit appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation to general risk provision	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(N) Internal transfer of shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves to cover losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Dividend/benefit plan changes carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (Continued)

For the six months ended 30 June 2024

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Six months ended 30 June 2024											Total shareholders' equity			
	Equity attributable to shareholders of the parent company														
	Other equity instruments		Less:		Other		Special		General		Unallocated				
Share capital	Preference shares	Residual tools	Capital reserve	Others	Treasury stock	comprehensive income	reserve	reserve	reserve	provision	profits	Others	Subtotal	Minority interest	
(M) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilised in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(M) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Change balance of current period	782,058,830.00	-	-	80,999,493.73	-	35,744,460.71	-	104,128,241.15	-	830,197,029.42	-	15,676,127,863.31	-	94,633,583.19	1,686,830,887.50

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES

The unaudited interim financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards and specific accounting standards, the application guidelines for the Accounting Standards for Business Enterprises, the Interpretation of the Accounting Standards for Business Enterprises and other relevant requirements (the “Accounting Standards for Business Enterprises”) published by the Ministry of Finance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

The accounting policies and calculation methods used in the preparation of the unaudited interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2023. This interim result has not been audited by the auditor of the Company, and has been reviewed by the audit committee of the Company.

### 2. TOTAL OPERATING INCOME

Operating income represents the Group’s principal operating income, including income received and receivable from system integration, intelligent terminal sales and service businesses.

(1) *Operating income and operating cost*

Items	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Principal operating income	<b>205,108,001.79</b>	273,131,551.26
Other operating income	<b>14,428,322.22</b>	19,640,127.08
Total operating income	<b>219,536,324.01</b>	292,771,678.34
Principal operating cost	<b>182,769,262.65</b>	226,177,598.48
Other operating cost	<b>6,472,553.71</b>	5,892,902.59
Total operating cost	<b>189,241,816.36</b>	232,070,501.07

## Financial Information

### (2) Principal operations (by product)

Name of Products	Six months ended 30 June 2024 (Unaudited)		Six months ended 30 June 2023 (Unaudited)	
	Operating income	Operating cost	Operating income	Operating cost
	System integration	194,112,613.70	175,149,981.32	240,539,740.58
Intelligent terminal sales	3,440,425.75	3,325,862.91	7,764,979.55	7,272,316.18
Service	7,554,962.34	4,293,418.42	24,826,831.13	23,279,978.73
Total	205,108,001.79	182,769,262.65	273,131,551.26	226,177,598.48

### 3. SEGMENTS INFORMATION

Information regarding the Company's reportable operating segments as provided to the Company's chief operating decision makers for the purposes of resources allocation and assessment of segment performance for the Review Period is only derived from system integration, intelligent terminal sales, service businesses. In addition, the Company's operations are situated in the PRC in which its income was derived principally therefrom. Accordingly, no separate segments are presented.

### 4. FINANCE COSTS

Items	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Interest expenses	13,229,749.43	17,556,583.21
Less: Interest income	167,809.44	831,019.13
Exchange gain or loss	—	—
Others	134,966.90	97,063.52
Total	13,196,906.89	16,822,627.60

## 5. INCOME TAX EXPENSES

Items	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Current income tax calculated based on tax law and related regulations	120,115.47	-375,710.37
Deferred income tax adjustment	-	-
Total	120,115.47	-375,710.37

Approved by Jiangsu Department of Science and Technology, Jiangsu Department of Finance and Jiangsu Provincial Taxation Bureau of State Administration of Taxation, the Company passed the re-evaluation of its High-New Technology Enterprise status on 2 December 2023. It holds a Certification of High-New Technology Enterprise (number: GR202332010529) with a valid period of 3 years. From 2023 to 2025, the Company enjoys the preferential income tax rate of 15% for State's key support of High-New Technology Enterprise.

The other domestic subsidiaries of the Company were taxed at 25% enterprise income tax rate.

The offshore subsidiaries of the Company were taxed at the local applicable income tax rate.

## 6. EARNINGS/LOSS PER SHARE

The calculation of the earnings/loss per share is based on the net loss attributable to shareholders of the parent company for the six months ended 30 June 2024 of RMB15,475,193.51 (corresponding period of 2023: net profit attributable to shareholders of the parent company of RMB26,197,152.00) and weighted average number of issued ordinary shares of 792,058,500 (2023: 792,058,500) during the Review Period.

The amount of basic earnings/loss per share is the same as the diluted earnings/loss per share as there was no dilution during the periods ended 30 June 2024 and 2023.

## 7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

# Financial Information

## 8. TRADE AND OTHER RECEIVABLES

Items	At 30 June 2024 (Unaudited)	At 31 December 2023 (Audited)
Accounts receivable	487,756,736.04	547,862,462.66
Less: Provision for bad debts for accounts receivable	278,901,652.52	291,155,736.71
Receivables financing	-	-
Bills receivable	958,939.63	8,813,860.74
Less: Provision for bad debts for bills receivable	352,554.43	352,554.43
Prepayments	47,860,439.63	23,317,070.38
Other receivables	863,845,254.55	995,941,217.62
Less: Provision for bad debts for other receivables	133,069,135.06	133,385,306.64
Total	<b>988,098,027.84</b>	1,151,041,013.62

*The aging of accounts receivable based on the recognition date*

Items	At 30 June 2024 (Unaudited)	At 31 December 2023 (Audited)
Within 1 year (including one year)	86,120,866.94	140,875,242.40
1 to 2 years	68,204,315.18	79,294,379.45
2 to 3 years	46,009,459.74	31,490,369.70
Over 3 years	287,422,094.18	296,202,471.11
Total	<b>487,756,736.04</b>	547,862,462.66

## 9. TRADE AND OTHER PAYABLES

<b>Items</b>	<b>At 30 June 2024 (Unaudited)</b>	At 31 December 2023 (Audited)
Accounts payable	<b>431,710,654.56</b>	400,356,578.17
Bills payable	–	100,000.00
Advances from customers	–	–
Other payables	<b>50,531,085.58</b>	52,968,356.17
Contract liabilities	<b>54,260,850.91</b>	43,275,025.51
<b>Total</b>	<b>536,502,591.05</b>	496,699,959.85

*The aging of accounts payable based on the recognition date*

<b>Items</b>	<b>At 30 June 2024 (Unaudited)</b>	At 31 December 2023 (Audited)
Within 1 year	<b>178,759,651.73</b>	223,367,408.42
1 to 2 years	<b>93,349,362.92</b>	64,047,657.07
Over 2 years	<b>159,601,639.91</b>	112,941,512.68
<b>Total</b>	<b>431,710,654.56</b>	400,356,578.17

# Management Discussion and Analysis

## Financial Review

### *Total Operating Income*

For the six months ended 30 June 2024 (the “Review Period”), the total operating income of the Group amounted to RMB219,536,324.01, representing a decrease of approximately 25.01% over that of the corresponding period of last year. The decrease was mainly attributable to the domestic market recovery was below expectations. Additionally, intense competition within the industry led to a decrease of contract value in the bid of system integration projects, resulting in a decline in operating income.

### *Gross Profit Margin*

The gross profit margin for the Review Period decreased from approximately 20.73% in the same period last year to approximately 13.80% which was primarily due to the intensifying market competition in the industry. Some projects were strategically won at low prices which compressed profit margins. Furthermore, the ongoing increase in procurement costs contributed to the decline in gross profit margin.

### *Selling Expenses*

Selling expenses for the Review Period was RMB14,312,689.41, representing a decrease of approximately 7.41% as compared with that of the corresponding period of last year. The decrease was primarily due to reduced project maintenance costs resulting from a decline in market share. Additionally, costs were lowered and efficiency improved by streamlining job functions and eliminating overlapping positions.

### *Administrative Expenses*

The administrative expenses recorded a decrease of approximately 20.20% from RMB18,206,562.63 in the corresponding period of last year to RMB14,528,899.85 for the Review Period. This was primarily due to the expiration of the depreciation period for some equipment during the Review Period, no depreciation provision was required.

# Management Discussion and Analysis

## *R&D Expenses*

The research and development expenses for the Review Period was RMB7,975,148.81, representing a decrease of approximately 15.10% as compared with the same period last year. The decrease was mainly due to the fact that the Group has continuously optimised its organizational structure through effective management measures and lowered operating costs by reduction in unnecessary human resource investments and streamlined personnel.

## *Financial Expenses*

The financial expenses for the Review Period was RMB13,196,906.89, representing a decrease of approximately 21.55% as compared with the same period last year. The decrease was mainly attributable to the optimization of the financing structure which reduced the total amount of loans and trimmed down the loan interest.

## *Net Loss Attributable to Shareholders of the Parent Company*

The net loss attributable to shareholders of the parent company for the six months ended 30 June 2024 was RMB15,475,193.51, as compared to the net profit attributable to shareholders of the parent company of RMB26,197,152.00 for the corresponding period of last year. Such loss was primarily attributable to the domestic market recovery falling short of expectations, intense industry competition, most projects being won at low bid price and rising procurement costs resulting to declines of the overall income and gross profit margin of the Group.

## *Liquidity and Financial Resources*

The Group adopted stringent financial management policies and maintained a healthy financial condition. The Group's working capital (being current assets less current liabilities) as at 30 June 2024 was RMB1,001,618,985.73 (At 31 December 2023: RMB1,014,399,426.31).

As at 30 June 2024, the bank balances and cash of the Group amounted to RMB480,375,885.16 (At 31 December 2023: RMB367,102,242.55).



# Management Discussion and Analysis

## *Capital Structure*

As at 30 June 2024, the total bank borrowings of the Group was RMB593,020,000.00 (At 31 December 2023: RMB685,739,799.67), which included multiple secured bank borrowings in a total of RMB128,020,000.00 with annual interest rates ranging from 3.75% to 4.41% and are repayable within three months to ten years according to different repayment cycles. The remaining of RMB465,000,000.00 was unsecured bank borrowings with annual interest rates ranging from 4% to 5% and are repayable within one year. During the Review Period, the bank borrowings was mainly used in support of the Group's business development and the funds obtained was mainly used for project procurement and prepayments for projects.

As at 30 June 2024, the registered and issued share capital of the Company was RMB792,058,500.00 which was divided into 229,500,000 H Shares and 562,558,500 Domestic Shares.

## *Pledge of Assets of the Group*

As at 30 June 2024, the Group had the following assets pledged:

- (i) The total book value of the Group's assets of RMB461,780,809.91 (including: investment property of RMB432,018,591.53, fixed assets of RMB27,519,544.02, intangible assets of RMB2,242,674.36) were pledged to banks to secure outstanding bank loans of RMB128,020,000.00.
- (ii) The bank deposits of RMB17,330,269.70 (As at 31 December 2023: RMB26,113,063.86) were pledged for projects bidding/projects in progress and banking facilities.

## Management Discussion and Analysis

### *Employees*

As at 30 June 2024, the Group has an aggregate of 201 employees (At 30 June 2023: 225 employees). During the Review Period, the staff costs (including Directors' remuneration) was RMB19,175,297.41 (corresponding period of 2023: RMB21,239,298.36).

The salary and bonus policy of the Group is principally determined by the performance of the individual employee.

### *Gearing Ratio*

The gearing ratio (being short-term borrowings plus long-term borrowings plus non-current liabilities due within one year less cash and cash equivalents divided by equity) of the Group as at 30 June 2024 was approximately 17.83% (At 31 December 2023: approximately 21.11%).

### *Risk in Foreign Exchange*

The income and expenses of the Group were mainly denominated in Renminbi. The Directors consider that the Group's risk in foreign exchange is insignificant.

### *Significant Investments Held*

As of 30 June 2023, there were no investments held with a value of 5% or more of the Group's total assets.

### *Substantial Acquisition and Disposal and Significant Investment*

The Group did not have any other material acquisition and disposal and material investment during the Review Period.

## Management Discussion and Analysis

### *Future Plans Relating to Material Investment or Capital Asset*

As at the date of this report, the Group has not executed any agreement in respect of proposed acquisition and did not have any other future plan of material investment or capital asset.

### *Contingent Liabilities*

As at 30 June 2023, the Group did not have any material contingent liabilities.

### *Litigation*

Jiangsu Intellitrans Company Ltd.\* (江蘇智運科技發展有限公司) (“Jiangsu Intellitrans”) is a wholly-owned subsidiary of the Company. A former vice president is suspected of forging our company’s seals, causing Jiangsu Intellitrans to sign a loan agreement with the appellant, Jiangsu Tongyong Luqiao Engineering Co., Ltd.\*(江蘇通用路橋工程有限公司) (“Tongyong Company”), and agreeing to provide joint liability guarantee by the Company. In May 2024, the Liyang People’s Court issued a civil judgment No. (2024) Su 0481 Minchu 750 ((2024) 蘇0481民初750號民事判決書), ordering Jiangsu Intellitrans to repay Tongyong Company the principal loan amount of RMB105,820,000, interest and penalty of RMB24,317,315.45, and to bear interest calculated at an annual rate of 13.8% from 14 July 2023 till the repayment is completed; the Company is jointly liable for the above debt of Jiangsu Intellitrans.

The Company and Jiangsu Intellitrans have appealed the above judgment to the Intermediate People’s Court of Changzhou, requesting the annulment of civil judgment No. (2024) Su 0481 Minchu 750 ((2024) 蘇0481民初750號民事判決書) and the dismissal of Tongyong Company’s lawsuit. At the same time, the Company has reported the case to the public security bureau.

## BUSINESS REVIEW AND PROSPECTS

### Industry Development and Business Review

The national strategy for building a strong transportation country, new infrastructure policies as well as the 14th Five-Year Plan continuously promote the digital transformation of the transportation industry. Market demands related to the advancement of the digital economy, the construction of digital government, smart cities, and information infrastructure are constantly being stimulated and accelerating its development.

With the continuous unleash of benefits from policies of the large transportation industry and the vigorous development of digitalization, the intelligent transportation industry is experiencing sustained high growth. More and more technology companies are participating in the market, intensifying competition among enterprises within the industry. The Group always adheres to innovation-driven development, providing customers with a full set of smart highway information solutions from consulting and planning to software and hardware development, system integration, network construction, and operation and maintenance services, based on the actual needs of customers and traffic management. Our business scope covers multiple sectors such as toll settlement, smart operations, electromechanical engineering, and travel services. During the review period, the Group effectively promoted the acceptance of projects such as the electromechanical engineering construction project of the Jianhu to Xinghua section of the Funing to Liyang Expressway, the power monitoring system upgrade project of the Ninghu Company, and the dynamic monitoring facility project for ordinary road trucks in Lianyungang City (LYG2023-DTJC3 section). At the same time, we have successively won bids for multiple high-quality projects, firmly consolidating our leading position in the field of highway informatization, including the newly signed JD03 construction project of the Ruicang Expressway (Longliwen to Yongtaiwen connection line), the monitoring engineering construction project of the 312 National Highway Zhenjiang Jurong section reconstruction and expansion project, and the smart highway G312-JRJK section construction project, and the smart electromechanical engineering construction project of the Changtai Yangtze River Bridge and the north-south highway connection line.

## Management Discussion and Analysis

Currently, the large-scale operation of the national smart port is mainly applied in the fields of customs and smart logistics etc. With the implementation of the “Electronic Customs” initiative by the national customs supervision department, the demand for strengthening centralized management and improving customs clearance efficiency is becoming increasingly urgent. The requirements for informatization and intelligent construction are getting higher, and the demand for artificial intelligence, video technology, and big data is increasing. The overall market maintains relatively stable growth, and the application of new technologies will become an important driving force for the development of customs informatization.

The Group has always been committed to providing intelligent solutions for customers in the logistics sector, including customs, special customs supervision areas (such as bonded areas and cross-border comprehensive experimental zones), ports, terminals, and airports. These solutions encompass information planning, software products, hardware products, information system integration, and operation and maintenance services, aiming to improve supervision efficiency, reduce supervision costs, and enhance customs clearance convenience, thereby promoting trade circulation. As the market scale of the logistics industry continues to expand and border checkpoint construction continues to grow, the Group has always adopted a proactive attitude in response to fierce market competition. We fully leverage our business and R&D advantages, continuously optimize organizational structure, and reduce costs while increasing efficiency. During the review period, the Company actively expanded its market, successfully securing projects such as the informatization project of Shangrao Comprehensive Bonded Zone, the equipment procurement and installation supporting facilities project of Multi-Purpose Terminal Imported Fruit Designated Supervision Site of West Port Area of Jiujiang Port City, the intelligent checkpoint and CT project of the Xinyu Ganxi Logistics Park, the Qidong communication control information system integration project of China Electric Hongxin, and the second phase of intelligent image review technical service contract of FedEx. The successful acquisition of these projects has provided strong support for the Company to consolidate its market position. Simultaneously, we completed the research and development of domestic checkpoint products and deployed them online at Changzhou Jintan Port; the first phase of the domestic new maritime system for Nanjing Customs was completed and went online; the research and development of the domestic AI container number algorithm was nearly finished, with promising test performance.

## Management Discussion and Analysis

During the review period, the Group has maintained a performance-driven approach, emphasizing long-term objectives, optimizing the talent structure, and actively advancing strategic talent planning and development. The Company has strengthened talent development, laying a robust foundation for the Company's development in the industry.

### Research and Development

Since its inception, the Group has had a core technology R&D team with strong independent research and development capabilities. Over the years, through accumulated experience and continuous technological innovation, we have developed significant technical advantages. The Group possesses comprehensive and high-level industry qualifications and professional certifications, along with over a hundred software copyrights and invention patents.

During the review period, the Group concentrated its R&D resources and collaborated with renowned universities such as Beijing Jiaotong University, Southeast University, and Jilin University to initiate and advance the research work on the "Vehicle Warning System and Automatic Emergency Braking Equipment Integration Application Demonstration" project under the national key R&D plan of the 14th Five-Year Plan. This project will integrate the research results of four other topics within the project, overcoming the challenges of multi-scenario, full-process, and integrated verification testing, developing an integrated demonstration platform and creating an industry application paradigm for intelligent risk management of operating vehicles of road transport. The Company further promoted the "2021 Jiangsu Province Intellectual Property Strategy Promotion Plan – Upgrade Project of High-Value Patent Cultivation Plan Project" by jointly establishing a provincial "High-Value Patent Cultivation Demonstration Center" with Southeast University, and simultaneously preparing for project acceptance work. Relying on the "Jiangsu Smart Highway Engineering Technology Research Center" built by Jiangsu Intellitrans Company Ltd., a subsidiary of the Company, we conducted researches on industry application demand and application technology framework, breaking through common core technologies in industry applications and constructing a series of application demonstration projects.

# Management Discussion and Analysis

During the review period, the Group continued to strengthen the application and protection of intellectual property, newly applying for four software copyrights and obtaining approval for six software products.

## FUTURE OUTLOOK

### Future Business Development Plan

The Group's business operations are closely related to the national macroeconomic landscape, top-level planning layout, and industrial development policies. In the first half of 2024, global economic growth has decelerated, and the domestic investment environment remains challenging. Global political instability and geopolitical conflicts continue to pose significant risks. In the context of a downward national economic situation, the Group has seized the industrial opportunities presented by national strategies, further focusing on the two core industries of intelligent transportation and smart logistics, continuously improving technological R&D levels, deeply cultivating existing industries and customer groups, significantly increasing market share in industry segments, and expanding the Company's market coverage in other regions of the country, achieving vertical integration and continuously enhancing the Company's profitability.

Guided by the policy of building a strong transportation nation, the Group is committed to embracing the digital era. We will align with the development of Digital China and Digital Transportation, continuously promoting the integration of new-generation information technologies such as artificial intelligence, big data, cloud computing, and edge computing in the smart highway and vehicle collaboration industry. This approach will drive the high-quality construction of intelligent transportation through highway digital transformation, creating new application scenarios for smart highways. The Group focuses on domestic first-tier cities and high-value industry customers, actively leading and meeting their digital and intelligent needs. We emphasize improving sales and delivery efficiency, advancing project implementation processes, and ensuring that construction progress remains unaffected by external environments.

## Management Discussion and Analysis

Based on an in-depth understanding of the smart logistics industry, the Group strives to stabilize existing business resources internally, strengthen company management, and concentrate company project resources to maintaining its existing business advantages. We endeavor to leverage our foundational strengths to enhancing business performance and work together to achieving stable performance. Additionally, the Company continues to carry out R&D for cross-border logistics technology and demonstration project construction, integrating resources such as customs and third-party logistics to create a comprehensive service information system for full-process tracking and visual management of goods in transit, ensuring full visibility of logistics, accelerating logistics speed and customs clearance efficiency, reducing the probability of goods loss during transit, and promoting efficient operation and rapid development of cross-border trade enterprises in our country.

As the Group's business continues to grow and the industry market expands, the Company has cultivated a portfolio of high-quality customer resources with long-term stable cooperation. Successful informatization construction cases have laid a solid foundation for the Company to further expand the market. In 2024, the Company will strive to broaden its business territory, actively explore external expansions, increase market exploration in disadvantaged areas, achieve industrial growth, explore external diversified markets. We will continuously strengthen business promotion and service efforts to achieve new business breakthroughs.



# Management Discussion and Analysis

## Research and Development Plan

In 2024, the Group will continue to focus on development strategies, increase R&D investment, improve R&D efficiency, strengthen research and application of cutting-edge technologies such as AI and big data, and vigorously promote technological and business model innovation projects. To further enhance competitiveness, the Group will vigorously promote the establishing of a core technical talent team, continuously increase human resource development efforts, and improve talent management levels. At the same time, leveraging on the technological advantages of the 'National RFID System Engineering Technology Research Center', the Company will make every effort to transform the application demonstration of national research project results into a model project for intelligent risk management and control of the operational vehicles of road transportation that can be replicated, referenced, and promoted. While providing users with higher quality products and services, the Company also strengthens the promotion of transformation and upgrading in the road transport, automobile manufacturing, and transport management industries, further enhancing the Company's market competitiveness.

Going forward, the Group will implement the development concept of "green transportation," continuously focusing on the three major business areas of smart highways, smart ports, and smart vehicles, exploring new tracks, diversifying the Company's new business, and seeking the Company's second growth curve. We will uphold integrity, expand sources, spare no effort to improve company performance, and strive to turn losses into profits.

### INTERESTS OR SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICERS

Save as disclosed below, as at 30 June 2024, none of the Directors, Supervisors and chief executive officers of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong)) which should be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or which they are deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company pursuant to the required standard of dealings as set out in Appendix C3 of the Listing Rules.

#### Long Positions in Shares

Name of Director	Number of Shares	Nature of Interest	Approximate Percentage of the Share Capital of the Company (%)
Sha Min (Note)	3,375,000	Beneficial owner	0.43%
	Domestic Shares		
	397,821,000	Interest of controlled corporation	50.77%
Domestic Shares			
	4,310,000		
	H Shares		

## Other Information

### Note:

Mr. Sha Min (“Mr. Sha”) directly holds 3,375,000 Domestic Shares and is indirectly interested in 60.40% of equity interest of Jiangsu Sample Holding Limited\* (江蘇三寶控股有限公司) (“Jiangsu Sample”) which in turn owns the 49% equity interest in Nanjing Sample Technology Group Company Limited (“Sample Group”) which in turn owns directly 397,821,000 Domestic Shares and indirectly owns 4,310,000 H Shares. Under the SFO, Mr. Sha is deemed to be interested in all 401,196,000 Domestic Shares and 4,310,000 H Shares.

Sample Group directly holds 397,821,000 Domestic Shares, representing approximately 50.22% of the issued share capital of the Company and indirectly owns 4,310,000 H Shares, representing approximately 0.54% of the issued share capital of the Company. Sample Group is owned as to 49% by Jiangsu Sample which in turn is held as to 60.40% by Shanghai Jiaxin Enterprise Management Center (limited partnership)\* (上海佳鑫企業管理中心有限合夥) (“Shanghai Jiaxin”) which in turn is beneficially owned as to 99% by Mr. Sha. Under the SFO, Mr. Sha is deemed to be interested in the entire equity interest in each of Sample Group, Jiangsu Sample and Shanghai Jiaxin.

### SHARES DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as to the knowledge of the Directors, as at 30 June 2024, the following shareholders (other than the Directors, Supervisors or chief executive officers of the Company) had interests and short positions in the shares or underlying shares of the Company which should be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO.

#### Long position in Shares

Name of Shareholders	Number of Shares	Nature of Interest	Approximate Percentage of the Share Capital of the Company (%)
Nanjing Sample Technology Group Company Limited ("Sample Group") (Note 1)	397,821,000 Domestic Shares	Beneficial owner	50.77%
	4,310,000 H Shares	Interest of controlled corporation	
Qingdao Haifa State Owned Capital Investment and Operation Group Co., Ltd. ("Haifa Group") (Note 1)	397,821,000 Domestic Shares	Interest of controlled corporation	50.77%
	4,310,000 H Shares		
State-owned Assets Supervision and Administration Commission of the People's Government of Qingdao ("SASAC of Qingdao") (Note 1)	397,821,000 Domestic Shares	Interest of controlled corporation	50.77%
	4,310,000 H Shares		
Jiangsu Sample Holding Limited* ("Jiangsu Sample") (Note 2)	397,821,000 Domestic Shares	Interest of controlled corporation	50.77%
	4,310,000 H Shares		

## Other Information

Name of Shareholders	Number of Shares	Nature of Interest	Approximate Percentage of the Share Capital of the Company (%)
Shanghai Jiaxin Enterprise Management Center (limited partnership)* (Note 2)	397,821,000 Domestic Shares 4,310,000 H Shares	Interest of controlled corporation	50.77%
Shanghai Lianqi Enterprise Management Center (limited partnership)* (Note 2)	397,821,000 Domestic Shares 4,310,000 H Shares	Interest of controlled corporation	50.77%
Mr. Chang Yong (Note 3)	397,821,000 Domestic Shares 4,310,000 H Shares	Interest of controlled corporation	50.77%
Active Gold Holding Limited (Note 4)	123,862,500 Domestic Shares	Beneficial owner	15.64%
Ferdinand Holdings Limited (Note 4)	123,862,500 Domestic Shares	Interest of controlled corporation	15.64%
Wan Ngok Wah (Note 4)	123,862,500 Domestic Shares	Interest of controlled corporation	15.64%
Season International Pte. Ltd. (Note 5)	53,855,500 H Shares	Beneficial owner	6.79%
Season Holdco Pte. Ltd. (Note 5)	53,855,500 H Shares	Interest of controlled corporation	6.79%

### Notes:

- (1) Sample Group directly owns 397,821,000 Domestic Shares and indirectly owns 4,310,000 H Shares. Hence, Sample Group is the substantial and the single largest shareholder of the Company. On 18 August 2020, Haifa Group completed the industry and commercial registration procedures in respect of the capital injection in Sample Group. Sample Group is owned as to 51% equity interests by Haifa Group which is 100% owned by SASAC of Qingdao.
- (2) Sample Group directly holds 397,821,000 Domestic Shares and indirectly holds 4,310,000 H Shares. As such, Sample Group is the substantial and the single largest shareholder of the Company. Sample Group is 49% held by Jiangsu Sample which in turn is held by Shanghai Jiaxin and Shanghai Lianqi Enterprise Management Center (limited partnership)\* (上海聯啟企業管理中心有限合夥) ("Shanghai Lianqi") as to 60.40% and 39.60% equity interests respectively. Under the SFO, each of Shanghai Jiaxin and Shanghai Lianqi is deemed to be interested in all 397,821,000 Domestic Shares and 4,310,000 H Shares.
- (3) As Sample Group is owned as to 49% by Jiangsu Sample which in turn is held as to 39.60% by Shanghai Lianqi which in turn is beneficially owned as to 99% by Mr. Chang Yong, under the SFO, Mr. Chang is deemed to be interested in all 397,821,000 Domestic Shares and 4,310,000 H Shares.
- (4) Active Gold Holding Limited is wholly owned by Ferdinand Holdings Limited which in turn is 100% held by Wan Ngok Wah.
- (5) Season International Pte. Ltd. is wholly owned by Season Holdco Pte. Ltd.

## Other Information

### Share Option Scheme

On 18 October 2011, the Board passed the resolution to terminate the execution of the share option scheme of the Company which was approved by the shareholders of the Company by way of resolution on 24 April 2004. The resolution was passed at the general meeting on 30 December 2011.

The Company has not granted any option under the share option scheme since the adoption of the scheme.

### Competing Business and Conflicts of Interests

None of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in 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 any other conflicts of interests with the Group.

### Code of Conduct for Securities Transactions by Directors

The code of conduct for securities transactions by Directors adopted by the Company is 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 of all Directors, the Company was not aware of any circumstances that the Directors did not comply with the required standards of dealings and the code of conduct for securities transactions by Directors throughout the six months ended 30 June 2024.

### Audit Committee

The Company established an audit committee on 27 August 2003 with terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules. The primary duty of the audit committee is to supervise the financial reporting process and internal control of the Company.

Since Mr. Niu Zhongjie resigned as an independent non-executive Director, and a member of the audit committee and nomination committee of the Company on 31 May 2024, the audit committee of the Company is composed of only two independent non-executive Directors, namely Mr. Gao Lihui (the chairman of the audit committee) and Mr. Hu Hanhui, therefore, the Company failed to comply with the minimum requirements of Rule 3.21 of the Listing Rules. Currently, the Board has identified a suitable candidate to be recommended to shareholders for approval as independent non-executive Director and members of the audit committee and nomination committee of the Company at a shareholders' meeting. Upon completion of the relevant appointments, the Company will re-comply with the requirements under Rule 3.21 of the Listing Rules. Further announcement(s) regarding the proposed appointments and the convening of the shareholders' meeting will be made in due course.

The audit committee of the Company has reviewed the unaudited results of the Group for the Review Period and has provided advice and comments thereon.

### Corporate Governance Code

For the six months ended 30 June 2024, the Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix C1 to the Listing Rules, except the deviations disclosed herein.



## Other Information

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Review Period, Mr. Sha Min (“Mr. Sha”) has been serving as both the Chairman and the chief executive officer of the Company. Despite the deviation from C.2.1 of the CG Code, the Board considers that Mr. Sha, being the Chairman of the Company, has been leading the Board to ensure that the Board works together and the Directors collaborate in accordance with the best interests of the Company. At the same time, Mr. Sha is well-versed in the Company’s business operations and possesses extensive knowledge and experience, which is beneficial for enhancing the efficiency of the overall strategic planning of the Company. Meanwhile, the other two executive Directors, who have also been appointed as vice presidents, will respectively assist Mr. Sha in managing business operations and management work. The Board believes that this management structure is more conducive to the Company’s future development and improving the Company’s operational conditions. Under the supervision of the Board (currently composed of three executive Directors, one non-executive Director, and two independent non-executive Directors), the Board has an appropriate power balance structure, providing sufficient checks and balances to protect the interests of the Company and its shareholders.

The Company failed to comply with the financial reporting provision as required under Rule 13.49(1) and 13.49(3)(i) of the Listing Rules to announce and issue the annual results of the Company for the year ended 31 December 2023 (the “Annual Results 2023”) not later than three months after the end of the relevant financial year. The Annual Results 2023 was published on 25 April 2024.

Pursuant to Rule 3.10 (1) of the Listing Rules, the board of a listed issuer must include at least three independent non-executive directors (“INEDs”). Pursuant to Rule 3.21 of the Listing Rules, the audit committee of a listed issuer must comprise a minimum of three members and the majority of the audit committee members must be INEDs. Pursuant to Rule 3.27A of the Listing Rules, a listed issuer must establish a nomination committee with a majority of INEDs. Following the resignation of Mr. Niu Zhongjie with effect from 31 May 2024, the number of INEDs and the composition of the audit committee and the nomination committee of the Company have failed to meet the relevant requirements under the Listing Rules. At present, the Board has identified a suitable candidate to be recommended for shareholders’ approval of the appointment as independent non-executive director and member of each of the audit committee and nomination committee of the Company at a shareholders’ meeting. Further announcement(s) regarding the proposed appointments and the convening of the shareholders’ meeting will be made in due course.

### Changes of Directors’ and Supervisors’ Information

- 1) On 3 February 2024, Mr. Qiu Xiangyang was appointed as an independent director of Hongbaoli Group Corporation, Ltd.\* (紅寶麗集團股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code: 002165).
- 2) On 26 February 2024, Mr. Sha Min served as the chairman of Yingtan Copper Industry Development Investment Co., Ltd.\* (鷹潭銅產業發展投資股份有限公司), a subsidiary of Sample Group.
- 3) On 31 May 2024, Mr. Niu Zhongjie resigned as an independent non-executive Director, a member of each of the audit committee and nomination committee of the Company.

Save as disclosed above, the Company is not aware of any other changes in the information that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2023 Annual Report of the Company.

## Other Information

### Change in Constitutional Document

During the Review Period, the shareholders of the Company approved the amendments of the Company's articles of association (the "Articles of Association") in order to comply with the latest amendments in the PRC Company Law; to adopt electronic means to disseminate corporate communications in accordance with the "Proposals to Expand the Paperless Listing Regime and Other Rule Amendments" published by The Stock Exchange of Hong Kong Limited in June 2023; and to revise the business scope of the Company to align with the business scope stated in the Articles of Association with the existing business license. Details of the amendments were disclosed in the Company's circular dated 30 May 2024. Save as disclosed above, there has been no significant change in the Articles of Association during the Review Period.

### Purchase, Redemption or Sales 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.

By Order of the Board

**Nanjing Sample Technology Company Limited\***

**Sha Min**

*Chairman*

29 August 2024  
Nanjing, the PRC

*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 Ms. Cai Lijuan; and the independent non-executive Directors are Mr. Gao Lihui and Mr. Hu Hanhui.*

\* For identification purpose only