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南京三寶科技股份有限公司
NANJIN

The principal terms of the Share Subscription Agreement are as follows:

Date: 19 April 2018

Parties: (i) The Company

(ii) Hong Kang Life

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Hong Kang Life and its ultimate beneficial owner(s) are Independent Third Parties.

Subscription Shares: The Company agreed to subscribe for not more than 34,000,000 Subscription Shares for the consideration of not more than RMB62,900,000 (equivalent to approximately HK\$78,576,000). The 34,000,000 shares in Hong Kang Life to be subscribed by the Company represent 3.4% of the issued share capital of Hong Kang Life as at the date of the Share Subscription Agreement.

The Subscription Shares, when issued and fully paid, will rank pari passu with all other shares then in issue, and equally entitled to all dividends and other distributions declared, paid or made on or after the date of issuance of the Subscription Shares.

Adjustment of the actual number of Subscription Shares: The Company agreed to subscribe for not more than 34,000,000 Subscription Shares. However, the actual number of shares to be subscribed by the Company will be determined based on the final approval of relevant regulatory authorities in respect of the Capital Increase of Hong Kang Life and the subscriptions by the subscribers as well as the actual number of shares issued upon completion of the Capital Increase of Hong Kang Life. The total number of shares to be subscribed by the Company after completion of the Capital Increase of Hong Kang Life shall only equal to but not more than 3% of the total share capital as enlarged by the Capital Increase (the final total number of shares to be subscribed shall be rounded to the nearest thousand), and the parties agreed to cancel any share subscription that exceeds such percentage.

Consideration: Pursuant to the terms of the Share Subscription Agreement, the consideration shall not exceed RMB62,900,000 (approximately equivalent to HK\$78,576,000). The Company shall pay RMB62,900,000 (equivalent to approximately HK\$78,576,000) to Hong Kang Life within three (3) working days after signing the Share Subscription Agreement.

Provided that if the adjustment as mentioned above is required to be made to the actual number of shares to be subscribed by the Company and a portion of the Subscription Shares is cancelled, Hong Kang Life agreed to refund the full amount paid by the Company which corresponds to such cancelled Subscription Shares within ten (10) working days after completion of the Capital Increase.

The Consideration was arrived at after arm's length negotiations between the parties after taking into account the appraised net assets value of Hong Kang Life as at 31 December 2017 of approximately RMB1,850,000,000 (equivalent to approximately HK\$2,311,056,000) as set out in the valuation report prepared by an independent valuer. The Consideration will be financed by the self-owned funds of the Company.

Completion: Completion will take place upon obtaining regulatory approval documents in respect of the share subscription and completion of the formalities of business registration filing for the Company's holding of shares in Hong Kang Life.

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Hong Kang Life is a financial enterprise which has capital intensive characteristics of the industry. It has gradually established its unique operation philosophy and strategy and owns a relatively stable operation and management team. It has considerable customer resources and relatively stable effective business and new business. In subscribing for a portion of the equity interest in Hong Kang Life, the Company mainly focuses on the value of the profitability of Hong Kang Life's assets as a whole. The Subscription has strategic and financial significance for the Company.

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The Company is a company established in the PRC and its H Shares are listed on the Stock Exchange. The Group is principally engaged in the provision of visual identification and RFID technologies based full solutions to intelligent transportation, customs logistics and other application areas.

Hong Kang Life is a company established under the laws of the PRC with limited liability. It is principally engaged in various personal insurance businesses such as life insurance, health insurance and accidental injury insurance; the reinsurance business of the aforesaid insurances; business for which insurance funds are permitted to be employed under national laws and regulations; other business as approved by the China Insurance Regulatory Commission.

As at the date of this announcement, the total registered capital of Hong Kang Life is RMB1,000,000,000 (approximately equivalent to HK\$1,249,219,000) and the total paid-up capital is RMB1,000,000,000 (approximately equivalent to HK\$1,249,219,000).

The audited net asset value of Hong Kang Life as of 31 December 2017 amounted to approximately RMB1,361,666,000 (equivalent to approximately HK\$1,701,019,000). Pursuant to the audited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises, the audited net profit of Hong Kang Life for the two years ended 31 December 2017 were as follows:

	31 D <i>(RMB'000)</i> <i>(audited)</i>	2017 <i>(RMB'000)</i> <i>(audited)</i>	31 D <i>(RMB'000)</i> <i>(audited)</i>	2016 <i>(RMB'000)</i> <i>(audited)</i>
Net profit before taxation		79,744		38,545
Net profit after taxation		78,988		38,545

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As one or more of the applicable percentage ratios under the Listing Rules in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

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Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the Board of Directors
“CIRC”	the China Insurance Regulatory Commission
“Company”	Nanjing Sample Technology Co., Ltd.* (南京三寶科技股份有限公司), a joint stock limited company incorporated in the PRC, whose H Shares are listed on the Stock Exchange (Stock Code: 1708)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kang Life”	Hong Kang Life Insurance Co., Ltd.

“Independent third party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share Subscription Agreement”	the share subscription agreement dated 19 April 2018 between the Company, as the subscriber, and Hong Kang Life
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of not more than 34,000,000 shares in Hong Kang Life by the Company under the Share Subscription Agreement
“Subscription Shares”	the ordinary shares to be issued by Hong Kang Life under the Share Subscription Agreement
“%”	percentage

On behalf of the Board

(Signature)
 Chairman

Nanjing, the PRC
 19 April 2018

As at the date of this announcement, the executive Directors are Mr. Sha Min (Chairman), Mr. Chang Yong, Mr. Zhu Xiang, the non-executive Director is Mr. Ma Jun; and the independent non-executive Directors are Mr. Hu Hanhui, Mr. Gao Lihui and Mr. Shum Shing Kei.

* for identification purpose only