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南京三寶科技股份有限公司

NANJING SAMPLE TECHNOLOGY COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1708)

(1) PROPOSED ISSUE OF A SHARES

**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
THE RULES OF PROCEDURES AND ADOPTION OF THE ADMINISTRATIVE
SYSTEM OF PROCEEDS**

(3) ESTABLISHMENT OR AMENDMENTS TO THE INTERNAL RULES

**(4) PROPOSED ESTABLISHMENT OF A STRATEGY COMMITTEE OF THE BOARD
AND ADJUSTMENT OF THE COMPOSITION OF BOARD COMMITTEES**

**(5) PROPOSED CHANGE OF COMPANY'S AUDITORS
AND**

(6) PROPOSED TERMINATION OF THE SHARE OPTION SCHEME

Proposed Issue of A Shares

The Board is pleased to announce that at a meeting of the Board held on 18 October 2011, it was resolved that, subject to Shareholders' approval, the Company will apply to the regulatory authorities for the issue of not more than 73.90 million A Shares of RMB1.00 each to natural persons, legal persons and other institutional investors with A shares accounts at the China Securities Depository and Clearing Corp. Ltd., Shenzhen Branch (except those who are prohibited from subscribing for A shares pursuant to the relevant PRC laws and regulations and other applicable regulatory requirements) according to the PRC laws and regulations and other regulatory requirements that the Company is required to comply with. The Company will also apply to The Shenzhen Stock Exchange for the listing of such A Shares. The proposed Issue of A Shares is subject to (i) approval from the Shareholders at the EGM and separate Class Meetings; (ii) approval from the CSRC; and (iii) the approval of the Shenzhen Stock Exchange as to the listing of, and permission to deal in, the A Shares. The net proceeds from the proposed Issue of A Shares (i.e. after deducting relating expenses) will be used for the development of core businesses.

Proposed amendments to the Articles of Association and the Rules of Procedures

To facilitate the Issue of A Shares, certain amendments are proposed to be made to the Articles of Association and the Rules of Procedures pursuant to the applicable laws and regulatory requirements. Amendments to the Articles of Association and the Rules of Procedures are subject to the Shareholders' approval at the EGM. Special resolutions to consider and approve the amendments to the Articles of Association and the Rules of Procedures will be proposed at the EGM. The proposed amendments to the Articles of Association and Rules of Procedures shall come into effect upon the completion of the Issue of A Shares.

Proposed adoption of the Administrative System of Proceeds

The Company proposed to adopt the Administrative System of Proceeds pursuant to the requirements of the applicable PRC laws and regulations and the relevant rules of the Shenzhen Stock Exchange. Ordinary resolution to consider and approve the adoption of the Administrative System of Proceeds will be proposed at the EGM of the Company. The proposed Administrative System of Proceeds shall come into effect upon the completion of the Issue of A Shares.

Proposed establishment of a strategy committee of the Board and adjustment of the composition of Board committees

According to the circumstances of the Company, the Company proposed to establish a new strategy committee of the Board. In addition, the Board proposed adjustment to the composition of the Nomination Committee, Remuneration Committee and Audit Committee.

Proposed Change of Company's Auditors

The Company intended to accept the resignation of BDO Limited as auditors of the Company and proposed the appointment of Shulun Pan Certified Public Accountants (Special General Partnership) as the Company's auditors, for a term commencing from the date of its approval at the EGM until the date of the next annual general meeting of the Company.

It is further proposed that the Board be authorised at the EGM to fix the remuneration of Shulun Pan Certified Public Accountants (Special General Partnership) with reference to the prevailing market conditions and the negotiation between the parties.

Proposed termination of Share Option Scheme

The Company proposed to terminate the Share Option Scheme conditionally approved and adopted on 24 April 2004.

Adoption or Amendments to the Internal Rules

To meet the need of the Issue of A Shares by the Company, the Company has adopted or amended the Internal Rules pursuant to the requirements of the applicable PRC laws and regulations and the relevant rules of the Shenzhen Stock Exchange. Such adoption or amendments shall be effective after its consideration and approval by the Board.

GENERAL

The Company will convene the EGM for the purpose of, among other things, seeking Shareholders' approval on the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of the Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and adjustment of the composition of Board committees, the proposed change of the Company's auditors and the proposed termination of the Share Option Scheme. The Issue of A Shares will also be put forward to the Shareholders for approval at the respective Class Meetings.

A circular containing, among other things, further details of the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of the Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and adjustment of the composition of Board committees, the proposed change of the Company's auditors and the proposed termination of the Share Option Scheme, as well as the notices of the EGM and the Class Meetings respectively, will be despatched to the Shareholders as soon as possible.

There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of the Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and the proposed adjustment of the composition of Board committees, the proposed change of the Company's auditors and the proposed termination of Share Option Scheme will be disclosed by the Company in the PRC in due course and the relevant information will be disclosed in Hong Kong concurrently in accordance with the relevant rules governing the listing of securities on the Stock Exchange.

I PROPOSED ISSUE OF A SHARES

The Board is pleased to announce that at a meeting of the Board held on 18 October 2011, the Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 73,900,000 A Shares with a nominal value of RMB1.00 each to natural persons, legal persons and other institutional investors recognised by the CSRC, who maintain A Share account with the China Securities Depository and Clearing Corp. Ltd., Shenzhen Branch (except those prohibited by PRC laws and regulations and other regulatory requirements to which the Company is subject to), and apply to the Shenzhen Stock Exchange for the listing of, and permission to deal in, the A Shares. The Issue of A Shares will be subject to, among other things, the approval by the Shareholders at the EGM and the Class Meetings, as well as the approval by the CSRC.

Details of the Issue of A Shares

(i) Class and nominal value of new Shares to be issued

A Shares with a nominal value of RMB1.00 each in the share capital of the Company.

(ii) Number of A Shares to be issued

Not more than 73,900,000 A Shares with a nominal value of RMB1.00 each, which represent:

- (1) approximately 55.86% of the aggregate Domestic Shares of the Company in issue as at the date of this announcement;
- (2) approximately 35.84% of the aggregate Domestic Shares of the Company in issue as enlarged by the Issue of A Shares;
- (3) approximately 32.98% of the entire issued share capital of the Company in issue as at the date of this announcement; and
- (4) approximately 24.8% of the entire issued share capital of the Company as enlarged by the Issue of A Shares.

The final number of A Shares to be issued and the structure of such issue shall be subject to approval by the CSRC and other relevant regulatory authorities in the PRC, and subject to adjustment (if any) by the Board as authorised by the Shareholders at the EGM and the Class Meetings and within the range approved by the CSRC having regard to the relevant circumstances.

(iii) Basis for determination of the issue price

Subject to the approval of the CSRC for the Issue of A Shares, the issue price range of the A Shares will be determined on the basis of market conditions prevailing in the PRC securities market at the time of the issue of A Shares by way of market consultation or any such other price determination method(s) as approved by the CSRC.

(iv) Target subscribers

The target subscribers of the Issue of A Shares are natural persons, legal persons and other institutional investors recognised by the CSRC, who maintain A Share account with the China Securities Depository and Clearing Corp. Ltd., Shenzhen Branch (except those prohibited by PRC laws and regulations and other regulatory requirements to which the Company is subject to).

(v) Proposed stock exchange for listing

The Shenzhen Stock Exchange.

(vi) Method and time of issue

The issue will be conducted via placement through offline offering to investors subject to market consultation and online application of public offering shares, or such other method(s) as approved by the CSRC, and will be issued within 6 months after the approval of such issue by the CSRC.

(vii) Use of proceeds

The amount of fund to be raised from the Issue of A Shares cannot be confirmed as at the date of this announcement. However, the Company intends to apply the proceeds in the following projects with a total estimated investment amount of approximately RMB476.21 million:

- (1) the development and marketing project for cognitive transportation projects, with an investment amount of RMB157.50 million.
- (2) the upgrade project of logistics monitoring product with internet of things (IOT)-based technology, with an investment amount of RMB98.71 million;
- (3) R&D and industrialisation project of front-end intelligent equipment of IOT, with an investment amount of RMB100 million; and
- (4) the construction project of research center for RFID system technology, with an investment amount of RMB120 million;

The Company may, in accordance with the actual circumstances and the progress of the above projects, utilize its internal resources or raise bank loans to finance the aforesaid projects prior to the completion of the Issue of A Shares, and to repay the funds raised and already applied by the Company and the Group in developing such projects upon completion of the Issue of A Shares.

In the event the proceeds from the Issue of A Shares are not sufficient to finance the above projects, the shortfall will be covered by internal resources or bank loans to be raised by the Group. In case the actual proceeds of the Issue of A Shares exceed the estimated investment amount mentioned above, the surplus will be used to supplement the liquidity of the Company.

(viii) Distribution plan of accumulated undistributed profits

Prior to this public issue of A Shares, the Company may distribute its profit available for distribution for 2011 in accordance with relevant laws, regulations and the Articles of Association. After the completion of this public issue of A Shares, all shareholders of the Company will be entitled to the undistributed profits carried forward after implementation of the distribution plan for the profits of 2011, and the profits arising prior to this Issue of A Shares. Holders of A Shares shall not be entitled to any dividend declared prior to completion of the Issue of A Shares.

(ix) Validity of the resolution

The resolution for the Issue of A Shares will be effective for a period of 18 months commencing from the date on which it is considered and approved by the Shareholders in general meeting.

(x) Approval and authorisation by the Shareholders

The EGM and the Class Meetings will be held to consider and, if thought fit, approve, among other things, the Issue of A Shares.

It is further proposed that the Board be authorised in the EGM and the Class Meetings to take all such actions and to sign/execute all such documents or instruments for and on behalf of the Company as may be necessary or expedient and make arrangements for all specific matters relating to, in connection with, or to effect, the Issue of A Shares, in accordance with the relevant requirements of the CSRC, the Stock Exchange and the Shenzhen Stock Exchange. The authorisation proposed to be granted to the Board shall include without limitation:

- (1) to be responsible for and to effect the listing proposal of this issue, including without limitation, to determine the timing of issue, the number of A Shares to be issued, the issue price and its determination mechanism, the structure of the issue, the target subscribers of the A Shares, the method of issue, the stock exchange to be listed and other related application procedures and formalities subject to the relevant requirements under the relevant rules and regulations and the relevant securities rules, and pursuant to the listing proposal of this issue as approved by the Shareholders at the EGM and the Class Meetings;
- (2) to deal with all filing and application matters relating to or in connection with the listing of this issue, including without limitation, applying for approval to, register with, filing with, seeking licences and consents from relevant governmental and regulatory authorities, the relevant stock exchange and securities clearing institution; to approve, sign, execute, amend or complete any agreement, contract or necessary document relating to the listing of this issue (including without limitation, offering circular, prospectus, sponsor agreement, underwriting agreement, listing agreement and all kinds of announcement and notice to the shareholders of the Company);
- (3) to adjust and amend the proposal for the listing of this issue according to implementation of the listing proposal of this issue, market conditions, policies adjustments and comments from governmental and regulatory authorities;
- (4) to make necessary or appropriate adoption of and amendments to the relevant provisions of the Articles of Association, the rules of procedures and internal rules of the Company relating to, in connection with the listing of this issue, and to deal with the application for approval, and the change of business registration, the filing and registration with relevant governmental authorities;
- (5) to make necessary or appropriate adoption of and amendments to the Articles of Association, the rules of procedures and internal rules of the Company in the event they conflict with the regulatory rules or documents promulgated by the CSRC and/or the

relevant stock exchange, or in accordance with the comments from the CSRC and/or the relevant stock exchange;

- (6) to deal with all matters in relation to the application or the use of net proceeds from the Issue of A Shares subject to the approval of the CSRC, including without limitation, to utilize the internal resources or raise bank loans to finance its projects prior to the completion of the Issue of A Shares, and to repay the funds raised and already applied by the Company and the Group in developing such projects upon completion of the Issue of A Shares; to adjust and amend related matters according to the actual circumstances and comments from relevant governmental authorities in the course of implementation in financing and investing in the projects, including without limitation: to adjust the budget for each project already included in the scope of investment by application of proceeds (including adjusting the number of projects), the subject, progress and means of implementation, etc.; to confirm the specific saving account for the proceeds; other project related matters in relation to the implementation of the application of the proceeds after the completion of the listing of this issue, including the signing and execution of any agreement, contract or other documents relating to the application of the proceeds; to finance the projects with internal resources or bank loans in the event the proceeds is not sufficient to finance the projects, and to apply any surplus to supplement the liquidity of the Company;
- (7) to engage relevant intermediaries and to liaise and agree on their respective remuneration; and
- (8) to process all related matters in connection with the Issue of A Shares, take all such actions as may be necessary or expedient and to determine and make arrangements for all specific matters relating to or in connection with the Issue of A Shares as permitted by the relevant laws and regulations.

The authorisation, if approved by the Shareholders at the EGM and the Class Meetings, shall be effective for a period of 18 months commencing from the date on which such approval is obtained.

It should be noted that the Issue of A Shares, upon approval by the Shareholders by way of special resolution at the EGM and the Class Meetings, is still subject to approvals by the CSRC and other relevant regulatory authorities. In addition, the examination and consent of the Shenzhen Stock Exchange for the listing of, and permission to deal in, the A Shares on Shenzhen Stock Exchange is also required. The approval in respect of the Issue of A Shares, if obtained from Shareholders at the EGM and the Class Meetings, shall be effective for a period of 18 months commencing from the date on which such approval is obtained.

Reasons for the Issue of A Shares

The Directors believe that the Issue of A Shares will further broaden the Company's funding channels, and thereby improve the Company's capital structure and its debt financing capacity. In addition, the Issue of A Shares will provide the Company with financial resources for the

specific needs as stipulated in the paragraph headed “Use of Proceeds” above and improve the competitiveness of the Group. The Directors believe that the Issue of A Shares will enhance the profile and corporate image of the Company, and is beneficial to the long term development of the Group. The Directors consider that the Issue of A Shares is in the interests of the Group and the Shareholders as a whole.

Effects of the Issue of A Shares on Shareholding Structure of the Company

Assuming that a total of 73,900,000 A Shares are to be issued, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Issue of A Shares is as follow:

| | As at the date of this announcement | | Immediately after the completion of the Issue of A Shares | |
|----------------------------------|--|--------------------------------|--|--------------------------------|
| | Number of Shares | Approxi- mate % | Number of Shares | Approxi- mate % |
| (1) Non-Overseas unlisted shares | 132,300,000 | 59.04% | 206,200,000 | 69.19% |
| Of which: | | | | |
| A Shares to be issued | – | – | 73,900,000 | 24.80% |
| (2) H Shares | 91,800,000 | 40.96% | 91,800,000 | 30.81% |
| | <u>224,100,000</u> | <u>100%</u> | <u>298,000,000</u> | <u>100%</u> |
| (3) Total number | <u>224,100,000</u> | <u>100%</u> | <u>298,000,000</u> | <u>100%</u> |

II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES

In light of the Issue of A Shares, certain amendments are proposed to be made to the Articles of Association and Rules of Procedures pursuant to the applicable laws and regulatory requirements, including Rules of Procedures for General Meetings, Rules of Procedures for Board Meetings and Rules of Procedures for Meetings of the Supervisory Committee. The proposed amendments to the Articles of Association shall come into effect upon (i) the passing of a special resolution at the EGM to approve the amendments; (ii) the completion of the proposed A Shares Issue; and (iii) obtaining the required approval or endorsement from or the registration with relevant regulatory authorities. The proposed amendments to the Rules of Procedures are subject to (i) the Shareholders’ approval by way of a special resolution at the EGM; (ii) the completion of the proposed A Shares Issue; and (iii) the amended Articles of Association coming into effect.

The proposed amendments to the Articles of Association will include changes in, inter alia, the following main areas in the Articles of Association:

- (i) capital structure of the Company;
- (ii) restrictions in the transfer of the Shares or A Shares;
- (iii) situations in which the Company can redeem its Shares or A Shares;
- (iv) rights of the Shareholders in requesting the Company to institute legal proceedings against Directors or senior management who are in breach of any laws when performing their duties;
- (v) proceedings of the general meetings of the Shareholders;
- (vi) composition and powers of the Board;
- (vii) powers of the supervisory committee and the proceedings of its meetings;
- (viii) the Company's obligations in reporting financial results to the CSRC and the Shenzhen Stock Exchange;
- (ix) conditions in the declaration and payment of dividends; and
- (x) other miscellaneous and corresponding changes.

The above list of the areas of changes in the Articles of Association are not exhaustive and details regarding the proposed amendments to the Articles of Association and Rules of Procedures will be set out in the circular to be despatched to the Shareholders.

III PROPOSED ADOPTION OF THE ADMINISTRATIVE SYSTEM OF PROCEEDS

The Company proposed to adopt the Administrative System of Proceeds pursuant to the requirements of the applicable PRC laws and regulations and the relevant rules of the Shenzhen Stock Exchange. Ordinary resolution to consider and approve the adoption of the Administrative System of Proceeds will be proposed at the EGM of the Company. The proposed Administrative System of Proceeds shall come into effect upon the completion of the Issue of A Shares.

IV PROPOSED ESTABLISHMENT OF A STRATEGY COMMITTEE OF THE BOARD AND ADJUSTMENT OF THE COMPOSITION OF BOARD COMMITTEES

According to the circumstances of the Company, it is proposed that a new strategy committee of the Board be established. Its main duty is to study and advise on the long-term development strategy and major investment decisions of the Company. The proposed new strategy committee will be chaired by Mr. Sha Min, the Chairman and executive Director, with Mr. Chang Yong and Mr. Guo

Ya Jun, executive Directors, as the members. Also, pursuant to the relevant requirements of the CSRC and the Shenzhen Stock Exchange, it is proposed that the following adjustments be made to the composition of the Board committees: Mr. Xu Suming will act as chairman of the Nomination Committee, with Mr. Li Haifeng and Mr. Chang Yong as the members; Mr. Xu Suming will act as chairman of the Remuneration Committee, with Mr. Shum Shing Kei and Mr. Guo Ya Jun as the members; Mr. Shum Shing Kei will act as chairman of the Audit Committee, with Mr. Xu Suming and Mr. Li Haifeng as the members, all being Directors.

V PROPOSED CHANGE OF COMPANY'S AUDITORS

The Company proposed to change its auditors and appoint Shulun Pan Certified Public Accountants (Special General Partnership) as auditors of the Company, the term of engagement will commence from the date of its approval by Shareholders at the EGM until the date of the next annual general meeting. The resigning auditors, BDO Limited, has confirmed that there are no matters that need to be brought to the attention of Shareholders. It is further proposed that the Board be authorised at the EGM to fix the remuneration of Shulun Pan Certified Public Accountants (Special General Partnership) with reference to the prevailing market conditions and the negotiation between the parties.

VI PROPOSED TERMINATION OF SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved by a resolution of the Shareholders dated 24 April 2004. The purpose of the Share Option Scheme is to recognize and encourage the contribution by the employees and other eligible persons to the Group. As at the date of this announcement, the condition of the Share Option Scheme has not been satisfied. In view of the Issue of A Shares, the Company proposed to pass an ordinary resolution at the EGM to terminate the Share Option Scheme.

VII ADOPTION OR AMENDMENTS TO THE INTERNAL RULES

To meet the Company's need for the Issue of A Shares, and pursuant to the requirements of relevant laws and regulations of the PRC and the relevant rules of the CSRC and the Shenzhen Stock Exchange, the Company has adopted or amended the Internal Rules and the Rules of Procedures for Board committees, including the Working System of Independent Directors, the Internal Control System, the Management System for External Guarantee, Management System for External Investment, the Decision Making System for Connected Transactions, the Rules of Procedures for Nomination Committee of the Board, the Rules of Procedures for Audit Committee of the Board, the Rules of Procedures for Remuneration Committee of the Board and the Rules of Procedures for Strategy Committee of the Board, of which the Rules of Procedures for Strategy Committee of the Board is subject to the approval of the establishment of the Strategy Committee at the EGM, and all other internal systems shall be effective after their consideration and approval by the Board.

GENERAL

The Company will convene the EGM for the purpose of, among other things, seeking Shareholders' approval on the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of the Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and adjustment of the composition of Board committees, the proposed change of the Company's auditors and the proposed termination of Share Option Scheme. The Issue of A Shares will also be put forward to the Shareholders for approval at the respective Class Meetings.

A circular containing, among other things, further details of the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of the Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and adjustment of the composition of Board committees, the proposed change of the Company's auditors and the proposed termination of Share Option Scheme, as well as the notices of the EGM and the Class Meetings respectively, will be despatched to the Shareholders as soon as possible.

There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of the Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and the proposed adjustment of the composition of Board committees, the proposed change of the Company's auditors and the proposed termination of Share Option Scheme will be disclosed by the Company in the PRC in due course and the relevant information will be disclosed in Hong Kong concurrently in accordance with the relevant rules governing the listing of securities on the Stock Exchange.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context otherwise requires:

| | |
|---------------------------|---|
| “A Share(s)” | the share(s) with a nominal value of RMB1.00 each in the share capital of the Company to be issued and listed on the Shenzhen Stock Exchange |
| “Articles of Association” | the articles of association of the Company, as amended from time to time |
| “Board” | the board of Directors |
| “Class Meetings” | the class meeting for holders of H Shares to be held immediately after the conclusion of the EGM, and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, or any adjourned meeting thereof respectively |

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|---------------------|---|
| “Company” | Nanjing Sample Technology Company Ltd.* (南京三寶科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are listed on the main board of the Stock Exchange |
| “CSRC” | China Securities Regulatory Committee (中國證券監督管理委員會) |
| “Director(s)” | director(s) of the Company |
| “Domestic Share(s)” | domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are subscribed for in RMB |
| “EGM” | the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Issue of A Shares, the proposed amendments to the Articles of Association and the Rules of Procedures, proposed adoption of Administrative System of Proceeds, the proposed establishment of a strategy committee of the Board and adjustment of the composition of Board committees, the proposed change of the Company’s auditors and the proposed termination of Share Option Scheme |
| “Group” | the Company and its subsidiaries |
| “H Share(s)” | overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and are subscribed for and traded in HK\$ |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Internal Rules” | the Working System of Independent Directors, the Administrative System of Proceeds, the Internal Control System, the Management System for External Guarantee, Management System for External Investment, the Decision Making System for Connected Transactions, the Rules of Procedures for Nomination Committee of the Board, the Rules of Procedures for Audit Committee of the Board, the Rules of Procedures for Remuneration Committee of the Board and the Rules of Procedures for Strategy Committee of the Board |

| | |
|-----------------------|--|
| “Issue of A Shares” | the proposed issue of not more than 73,900,000 A Shares with a nominal value of RMB1.00 each to natural persons, legal persons and other institutional investors recognised by the CSRC, who maintain A Share account with the China Securities Depository and Clearing Corp. Ltd., Shenzhen Branch (except those prohibited by PRC laws and regulations and other regulatory requirements to which the Company is subject to) |
| “PRC” | the People’s Republic of China, which for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Rules of Procedures” | the rules of procedures of the Company in relation to meetings of the Shareholders, meetings of the Board, meetings of the supervisory committee of the Company |
| “Share(s)” | the Domestic Share(s) and the H Share(s) |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

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

Nanjing, the PRC, 18 October 2011

As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Chang Yong and Mr. Guo Ya Jun; the non-executive Director is Mr. Ma Jun and the independent non-executive Directors are Mr. Xu Suming, Mr. Li Haifeng and Mr. Shum Shing Kei.

** for identification purpose only*