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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: 8287)

**(I) PROPOSED TRANSFER OF LISTING FROM THE GROWTH
ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK
EXCHANGE OF HONG KONG LIMITED;
AND**

(II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

INTRODUCTION

The Board is pleased to announce that it was resolved at the meeting of the Board held on 20 August 2009 that the Company plans to apply to the Stock Exchange and the CSRC respectively for the Transfer of Listing pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules.

In light of the Transfer of Listing and for the purpose of complying with the Main Board Listing Rules and the relevant laws and regulations in the PRC and Hong Kong, special resolutions will be proposed at the EGM and the Class Meetings for the Shareholders to approve the Articles Amendments on a conditional basis.

In connection with the Transfer of Listing, the Company will propose to seek the approval of its Shareholders in the EGM and the Class Meetings for, among other things, (i) the making of relevant applications to the Stock Exchange and the CSRC for the Transfer of Listing; (ii) the Transfer of Listing; (iii) the Articles Amendments; and (iv) to authorise the Directors to do such acts or things and to take such steps as they consider necessary, desirable or expedient to carry out the above matters.

A circular containing, among other things, further details in respect of the Transfer of Listing, the Articles Amendments, and the notices to convene the EGM and the Class Meetings will be despatched to the Shareholders as soon as practicable.

This announcement is made pursuant to rule 17.10 of the GEM Listing Rules. Further announcement(s) will be made in compliance of the GEM Listing Rules by the Company to keep the Shareholders and potential investors informed on the progress of the Transfer of Listing.

The Company would like to emphasise that (i) preparations relating to the Transfer of Listing are at a preliminary stage and a definite timetable for the Transfer of Listing has not yet been finalized; (ii) no applications relating thereto have been made to the Stock Exchange and/or the CSRC; (iii) there is no assurance that the Company will be able to obtain the relevant approvals for the Transfer of Listing from, among others, the Stock Exchange, the CSRC and the Shareholders in the EGM and the Class Meetings. Shareholders and potential investors should be aware that the Company may or may not proceed with the Transfer of Listing. Shareholders and potential investors are therefore advised to exercise caution when dealing in the H shares.

(I) TRANSFER OF LISTING

The Board is pleased to announce that it was resolved at the meeting of the Board held on 20 August 2009 that the Company plans to apply to the Stock Exchange and the CSRC respectively for the Transfer of Listing pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules.

In connection with the Transfer of Listing, the Company will propose to seek the approval of its Shareholders in the EGM and the Class Meetings for, among other things, (i) the making of relevant applications to the Stock Exchange and the CSRC for the Transfer of Listing; (ii) the Transfer of Listing; (iii) the Articles Amendments; and (iv) to authorise the Directors to do such acts or things and to take such steps as they consider necessary, desirable or expedient to carry out the above matters.

Reasons for the Transfer of Listing

The Group is a major developer and provider of video security system solutions in the PRC targeting on government authorities. Its products and system solutions are currently designated for use in (i) traffic monitoring and control sector; and (ii) customs logistics monitoring sector in the PRC. Since the listing of the H Shares on the GEM on 9 June 2004, the business of the Group has grown steadily and the Group has improved its public profile. In the last five years, the Group's net profit grew significantly from RMB17,973,000 for the year ended 31 December 2004 to RMB93,399,000 for the year ended 31 December 2008. In view of the Group's financial performance and having taking into consideration of the potential impacts of the Transfer of Listing, the Directors believe that the listing of the H Shares on the Main Board will further enhance the profile and corporate image of the Company, draw industry analysts' attention to the Company, further strengthen the recognition of the Company among larger institutional investors, widen the Company's shareholder base and enhance the trading liquidity of the H Shares. The Directors also believe that the Transfer of Listing will be beneficial to the capital raising ability, future growth, financial flexibility and business development of the Company.

The Directors do not contemplate any material change in the nature of business activities of the Company immediately following the Transfer of Listing. The Transfer of Listing will not involve any placing of H Shares or issuance of any new H Shares by the Company.

Requirements under the PRC Regulations

Under the existing Articles of Association and the relevant PRC laws and regulations, Shareholders' approval is required for the Transfer of Listing, the Articles Amendments and the Company's application to the CSRC. Subject to the passing of the special resolutions by the Shareholders in each of the EGM and the Class Meetings to approve the Transfer of Listing and the Articles Amendments, the Company will make a formal application to the CSRC for the approval of the Transfer of Listing, and at appropriate time, the Company will make a formal application to the Stock Exchange in relation to the Transfer of Listing.

Conditions of the Transfer of Listing

The Transfer of Listing is subject to, among others things, the following conditions:

- (1) the fulfilment of all the applicable listing requirements on the Main Board as stipulated in the relevant rules and regulation of the PRC and the Main Board Listing Rules by the Company;
- (2) the passing of special resolutions by the Shareholders at the EGM to approve the Transfer of Listing, the Articles Amendments and the Company's application to the CSRC and the Stock Exchange for the Transfer of Listing;
- (3) the passing of special resolutions by the holders of Domestic Shares and the H Shares at the respective Class Meetings to approve the Transfer of Listing, the Articles Amendments and the Company's application to the CSRC and the Stock Exchange for the Transfer of Listing;
- (4) the granting of the relevant approval by the CSRC in connection with the Transfer of Listing;
and
- (5) the granting of the approval by the Listing Committee for the listing of and permission to deal in the existing H Shares on the Main Board.

(II) THE ARTICLES AMENDMENTS

Reasons and conditions for the Articles Amendments

In light of the Transfer of Listing and for the purpose of complying with the Main Board Listing Rules and the relevant laws and regulations in the PRC and Hong Kong, special resolutions will be proposed at the EGM and the Class Meetings for the Shareholders to approve the Articles Amendments on a conditional basis. The Articles Amendments are subject to the passing of the said special resolutions at the EGM and the Class Meetings, and will become effective (subject to further amendments being made to the same by the Directors as authorised by the Shareholders) on the date of completion of the Transfer of Listing and the commencement in dealing of the H Shares on the Main Board in compliance with the requirement of the Main Board Listing Rules in replacement of the GEM Listing Rules. Prior to the Articles Amendments becoming effective, the current Articles of Association will continue to be in force. The Articles Amendments will not take effect and the current Articles of Association shall continue to be effective if the Company fails to proceed with the Transfer of Listing.

Proposed Amendments to the Articles of Association

The Articles Amendments will give the effect in complying with the requirements of the Main Board Listing Rules and the relevant regulations in the PRC and Hong Kong.

Set out below are the details of the significant amendments to be incorporated into the Articles of Association:

- (1) the Articles Amendments will become effective on the date of completion of the Transfer of Listing and the commencement in dealing of the H Shares on the Main Board in compliance with the requirements of the Main Board Listing Rules in replacement of the GEM Listing Rules;
- (2) a current provision relating to the dividends will be amended to comply with the provisions of Appendix 3 to the Main Board Listing Rules;
- (3) changes will be made, where appropriate, in order to comply with the requirements of the Main Board Listing Rules relating to financial reporting;
- (4) reference to any provisions of the GEM Listing Rules will be replaced by that to the corresponding provisions of the Main Board Listing Rules as far as applicable; and
- (5) any consequential amendments to the Articles of Association as a result of the Transfer of Listing and/or any other amendments to the Articles of Association as the Directors may consider necessary to comply with the requirements of the Main Board Listing Rules.

A circular containing, among other things, further details in respect of the Transfer of Listing, the Articles Amendments, and the notices to convene the EGM and the Class Meetings will be despatched to the Shareholders as soon as practicable.

This announcement is made pursuant to rule 17.10 of the GEM Listing Rules. Further announcement(s) will be made in compliance of the GEM Listing Rules by the Company to keep the Shareholders and potential investors informed on the progress of the Transfer of Listing.

Warning:

The Company would like to emphasise that (i) preparations relating to the Transfer of Listing are at a preliminary stage and a definite timetable for the Transfer of Listing has not yet been finalized; (ii) no applications relating thereto have been made to the Stock Exchange and/or the CSRC; (iii) there is no assurance that the Company will be able to obtain the relevant approvals for the Transfer of Listing from, among others, the Stock Exchange, the CSRC and the Shareholders in the EGM and the Class Meetings. Shareholders and potential investors should be aware that the Company may or may not proceed with the Transfer of Listing. Shareholders and potential investors are therefore advised to exercise caution when dealing in the H shares.

DEFINITION

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

“Articles Amendments”	the amendments proposed to be made to the Articles of Association to comply with the relevant requirements of the Main Board Listing Rules, which will become effective on the date of completion of the Transfer of Listing and the commencement in dealing of the H Shares on the Main Board in compliance with the requirements of the Main Board Listing Rules in replacement of the GEM Listing Rules
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Class Meeting(s)”	the respective class meetings of the holders of the H Shares and the Domestic Shares to be convened and held for the purpose to approve, among other things, (i) the making of relevant applications to the Stock Exchange and the CSRC for the Transfer of Listing; (ii) the Transfer of Listing; (iii) the Articles Amendments; and (iv) to authorise the Directors to do such acts or things and to take such steps as they consider necessary, desirable or expedient to carry out the above matters
“Company”	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 PRC with limited liability and whose H Shares are currently listed on the GEM
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary shares of RMB1.00 each issued by the Company, which are subscribed for or credited as fully paid up in RMB, and all of such shares are not listed on the Stock Exchange
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose to approve, among other things, (i) the making of relevant applications to the Stock exchange and the CSRC for the Transfer of Listing; (ii) the Transfer of Listing; (iii) the Articles Amendments; and (iv) to authorise the Directors to do such acts or things and to take such steps as they consider necessary, desirable or expedient to carry out the above matters
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign invested ordinary shares of RMB1.00 each in the share capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong Dollars

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the proposed transfer of listing of the H Shares from the GEM to the Main Board

By Order of the Board
南京三寶科技股份有限公司
Nanjing Sample Technology Company Limited*
Sha Min
Chairman

Nanjing, the PRC
20 August 2009

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Chang Yong, Mr. Guo Ya Jun, the non-executive Director is Mr. Ge Jun; and the independent non-executive Directors are Mr. Zhang Zhan, Mr. Wang Wei and Mr. Lau Shek Yau John.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

* For identification purpose only