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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)

**DISCLOSEABLE TRANSACTION:
INVESTMENT IN A JOINT VENTURE**

The board of directors of Nanjing Sample Technology Company Limited* (the "Company") (the "Board") is pleased to announce that the Company and 南京醫藥股份有限公司 (Nanjing Pharmaceutical Company Limited*) ("NJYY") entered into a joint venture agreement on 25 December 2009 in relation to the joint investment in 南京醫藥藥品營銷有限公司 (Nanjing Medicine Marketing Company Limited*) ("Medicine Marketing Company"), and propose to change the name of Medicine Marketing Company into 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) (subject to the approval of industry and commerce administration authorities).

Medicine Marketing Company is a wholly-owned subsidiary of NJYY and was established in February 2009 with a registered capital of RMB48 million. As at the date of this announcement, industry and commerce registration of Medicine Marketing Company was not yet completed. Through the establishment of Medicine Marketing Company, the Company and NJYY would jointly establish a cooperation platform for the pharmaceutical products supply chain management information project. Capital contribution by the Company would be RMB75 million. Original investment in Medicine Marketing Company by NJYY amounted to RMB48 million, which is now increased to RMB75 million in accordance with the business development needs of Medicine Marketing Company. Meanwhile, both parties agree that the registered name of the new venture will be changed to 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) (subject to the approval of industry and commerce administration authorities). The Company and NJYY would contribute equally to the registered capital of the joint venture in the total amount of RMB150 million.

The Directors (the "Directors") consider that the investment by the Company and NJYY in the construction of a medical business logistics information system utilizing RFID technology as the foundation and 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) as the business platform, and the creation of a modern integrated medical supply chain information system through integration with the primary business model of NJYY business circulation will be able to achieve our ultimate goal of minimizing cost, enhancing efficiency and increasing core competitiveness.

As the relevant percentage ratio calculated based on Chapter 19 of GEM Listing Rules is more than 5% but less than 25%, the establishment of the joint venture constitutes a discloseable transaction of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 9 December 2009 in relation to the proposed establishment of a joint venture. The Board is pleased to announce that the Company and NJYY entered into a joint venture agreement on 25 December 2009.

JOINT VENTURE AGREEMENT

Date: 25 December 2009

Parties: Nanjing Sample Technology Company Limited* (the "Company")
南京醫藥股份有限公司 (Nanjing Pharmaceutical Company Limited*)
("NJYY")

南京醫藥股份有限公司 (Nanjing Pharmaceutical Company Limited*), a company established in the PRC with limited liability, which is primarily engaged in research, production and sale of chemical pharmaceutical raw materials, chemical pharmaceuticals preparations, antibiotics, biochemical pharmaceuticals, bio products, finished Chinese pharmaceuticals, veterinary pharmaceuticals and additives, medical equipment, glass instruments, medical alcohol; and sale of psychopathological pharmaceuticals, anesthesia pharmaceuticals and medical toxic pharmaceuticals.

Having made reasonable enquiries, to the best knowledge and belief of the Directors, NJYY and its ultimate beneficiaries are third parties (as defined in the GEM Listing Rules) independent of the Company and its connected persons and are not connected persons of the Company.

Joint venture and its scope of business: 南京醫藥藥品營銷有限公司 (Nanjing Medicine Marketing Company Limited*) ("Medicine Marketing Company"), a limited liability company proposed to be incorporated in the PRC, is a joint venture of which the name is proposed to be changed to 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) (subject to the approval of industry and commerce administration authorities). 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) plans to complete matters related to establishment and industry and commerce registration before 31 March 2010. Upon due completion of the procedures of industry and commerce registration, the Company and NJYY will promptly commence supply chain management information co-operation projects on the platform of the joint venture, and invest in the construction of a medical business logistics information system, with an estimated project investment cycle of three years.

PRINCIPAL TERMS

Registered capital: Capital contribution as to RMB75 million by the Company and RMB75 million by NJYY, representing equal contribution by the Company and NJYY to the registered capital of 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) in the total amount of RMB150 million.

Way of capital contribution: capital contribution by way of cash. The parties will remit their contribution for acquisition to the designated account of 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) within 30 working days after obtaining a certificate for medical operation.

Term of operation: subject to the approval of industry and commerce administration authorities.

Board composition: to comprise seven directors, among which two would be nominated by the Company and three would be nominated by NJYY, and two independent directors would be nominated by both parties.

Method of Management: with one general manager, three deputy general managers and one chief financial officer.

REASONS FOR THE ESTABLISHMENT OF THE JOINT VENTURE

The Company and its subsidiaries are principally engaged in the provision of video security system solutions, sale of security system software and sales of related computer products. Through joint capital contribution to establishing 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*), the Company and NJYY could create an information-based co-operation platform to achieve the goal of constructing a medical business logistics information system on the basis of a model with resources and core competitiveness that complement one another. The launching of this business does not only better expand the primary business model, but will also become a major component and source of profit margin of the Company's principal business after the business becomes more developed, which will be in line with the Company's overall development strategy and closely follow the PRC's direction of developing into a more information-based nation, and hence achieving a certain extent of social and economic benefits.

RISK ANALYSIS ON INVESTMENT

This cooperation project involves such risk factors as the change in the state policy of the PRC and the level of integration between the project and the Company's overall operational system, which directly incur uncertainties on the profitability of the project. Based on careful research and analysis, and in strict accord to the policy of the PRC, the Company will strive to closely integrate the project, the Company's traditional business and various innovative segments to facilitate mutual development, so that the possibility of potential risks would be minimized. In addition, the establishment of 南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*) shall be subject to approval by pharmaceutical supervisory and administrative authorities as well as industry and commerce authorities of the PRC.

GENERAL

As the relevant percentage ratio calculated based on Chapter 19 of GEM Listing Rules is more than 5% but less than 25%, the establishment of the joint venture constitutes a discloseable transaction of the Company.

DEFINITION

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

“Company”	南京三寶科技股份有限公司 (Nanjing Sample Technology Company Limited*), a company incorporated in the PRC with limited liability, and its H shares are listed on the GEM (Stock Code: 8287)
“Directors”	director(s) of the Company
“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
“PRC”	the People’s Republic of China
“NJYY”	南京醫藥股份有限公司 (Nanjing Pharmaceutical Company Limited*), a company established in the PRC with limited liability, which is primarily engaged in research, production and sale of chemical pharmaceutical raw materials, chemical pharmaceuticals preparations, antibiotics, biochemical pharmaceuticals, bio products, finished Chinese pharmaceuticals, veterinary pharmaceuticals and additives, medical equipment, glass instruments, medical alcohol; and sale of psychopathological pharmaceuticals, anesthesia pharmaceuticals and medical toxic pharmaceuticals
“Medicine Marketing Company”	南京醫藥藥品營銷有限公司 (Nanjing Medicine Marketing Company Limited*), a wholly-owned subsidiary of NJYY proposed to be established in the PRC
“Nanjing Medicine Supply Chain Management Company Limited”	南京醫藥供應鏈管理有限公司 (Nanjing Medicine Supply Chain Management Company Limited*), subject company of this investment, a company proposed to be established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By the Order of the Board

Nanjing Sample Technology Company Limited*

Sha Min

Chairman

28 December 2009
Nanjing, the PRC

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. Ge Jun and the independent non-executive Directors are Mr. Zhang Zhan, Mr. Wang Wei and Mr. Lau Shek Yau John.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange, 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 found on bases and assumptions that are fair and reasonable.

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** For identification only*