

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “EGM”) of Nanjing Sample Technology Company Limited (the “**Company**”) shall be held at No.10 Maqun Avenue, Maqun Technology Park, Qixia District, Nanjing City, Jiangsu Province, the PRC on Friday, 30 December 2011 at 10:00 a.m. for the purposes of considering, and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. “**THAT**, subject to the approval by the relevant regulatory authorities, including the China Securities Regulatory Committee (the “**CSRC**”), the allotment and issue of A shares (the “**A Shares**”) by the Company in the PRC (the “**Issue of A Shares**”) and each of the following principle terms and conditions of the Issue of A Shares be approved and confirmed (each and every item as a separate resolution):

(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.

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) which may be made by the board of directors (the “**Board**”) of the Company as authorised by this resolution and at the relevant class meetings of holders of H shares of the Company and holders of domestic shares of the Company (“**Class Meetings**”) and within the range approved by the CSRC having regard to the relevant circumstances.

* *for identification purpose only*

(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 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 the 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 the 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 shall be effective for a period of 12 months commencing from the date on which this resolution is passed at this EGM and at the Class Meetings.

(x) Authorisation to the Board

The Board be and is hereby authorised 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 of the Company, 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 of the Company, 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 above authorization granted to the Board shall be effective for a period of 12 months commencing from the date on which this resolution is passed.”

2. “**THAT** the amendments to the articles of association of the Company (the “**Articles of Association**”) as set out in the amended Articles of Association (details of which are set out in the appendix to the circular of the Company dated 14 November 2011) be approved and adopted by the Company with effect from (i) the completion of the Issue of A Shares; and (ii) obtaining the required approval or endorsement from or the registration with relevant regulatory authorities, and that the Board be authorised to modify the wordings of such Articles of Association as appropriate and to take all such actions and execute all such documents or instruments for and on behalf of the Company as the Board may, in its absolute discretion, consider necessary or expedient in order to effect the Issue of A Shares, and to deal with other related issues arising from or relating to the amendments to the Articles of Association accordingly .”
3. “**THAT** the Rules of Procedures for General Meetings (details of which are set out in the appendix to the circular of the Company dated 14 November 2011) shall, subject to (i) the completion of the Issue of A Shares; and (ii) the amended Articles of Association coming into effect, be approved and adopted by the Company, and that the Board be authorised to modify the wordings of such rules of procedures as appropriate and take all such actions and execute all such documents or instruments for and on behalf of the Company as the Board may, in its absolute discretion, consider necessary or expedient in order to effect the Issue of A Shares, and to deal with other related issues arising from or relating to the amendments to such rules of procedures accordingly.”
4. “**THAT** the Rules of Procedures for Board Meetings (details of which are set out in the appendix to the circular of the Company dated 14 November 2011) shall, subject to (i) the completion of the Issue of A Shares; and (ii) the amended Articles of Association coming into effect, be approved and adopted by the Company, and that the Board be authorised to modify the wordings of such rules of procedures as appropriate and take all such actions and execute all such documents or instruments for and on behalf of the Company as the Board may, in its absolute discretion, consider necessary or expedient in order to effect the Issue of A Shares, and to deal with other related issues arising from or relating to the amendments to such rules of procedures accordingly.”
5. “**THAT** the Rules of Procedures for Meetings of the Supervisory Committee (details of which are set out in the appendix to the circular of the Company dated 14 November 2011) shall, subject to (i) the completion of the Issue of A Shares; and (ii) the amended Articles of Association coming into effect, be approved and adopted by the Company, and that the Board be authorised to modify the wordings of such rules of procedures as appropriate and take all such actions and execute all such documents or instruments for and on behalf of the Company as the Board may, in its absolute discretion, consider necessary or expedient in order to effect the Issue of A Shares, and to deal with other related issues arising from or relating to the amendments to such rules of procedures accordingly.”

6. “**THAT** the existing share option scheme of the Company which was conditionally approved by a resolution of the shareholders dated 24 April 2004 be and is hereby terminated with immediate effect.”

ORDINARY RESOLUTIONS

1. “**THAT** the Administrative System of Proceeds (details of which are set out in the appendix to the circular of the Company dated 14 November 2011) shall, subject to the completion of the Issue of A Shares, be adopted by the Company and that the Board be authorised to modify the wordings of the Administrative System of Proceeds as appropriate and take all such actions execute all such documents or instruments for and on behalf of the Company as the Board may, in its absolute discretion, consider necessary or expedient in order to effect the Issue of A Shares, and to deal with other related issues arising from or relating to the adoption of the Administrative System of Proceeds accordingly.”
2. “**THAT** a strategy committee of the Board whose main duty is to study and advise on the long-term development strategy and major investment decisions of the Company be and is hereby established. The strategy committee shall consist of such members as may be determined by the Board from time to time.”
3. “**THAT** Shulun Pan Certified Public Accountants (Special General Partnership) be appointed as the auditors of the Company for the term commencing from the passing of this resolution to the date of the upcoming annual general meeting of the Company, and that the Board be and is hereby authorised to fix the remuneration of Shulun Pan Certified Public Accountants (Special General Partnership).”
4. “**THAT** the composition of the Nomination Committee of the Board shall be adjusted and shall consist of the following members: Mr. Xu Suming (chairman), Mr. Li Haifeng and Mr. Chang Yong.”
5. “**THAT** the composition of the Remuneration Committee of the Board shall be adjusted and shall consist of the following members: Mr. Xu Suming (chairman), Mr. Shum Shing Kei, and Mr. Guo Ya Jun.”
6. “**THAT** the composition of the Audit Committee of the Board shall be adjusted and shall consist of the following members: Mr. Shum Shing Kei (chairman), Mr. Xu Suming and Mr. Li Haifeng.”

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

Nanjing, the PRC, 14 November 2011

Notes:

1. Any member of the Company (“**Member**”) entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. In the case of a joint holding, the form of proxy may be signed by any joint holder, but if more than one joint holder is present at the meeting, whether in person or by proxy, that one of the joint holders whose name stands first on the register of Members in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
2. To be valid, a proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority must be delivered to the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong (in case of holders of H Shares) or to the Company’s registered office at Building No. 1, Ruan Jian Chuang Ye Zhong Xin, High Technology Development Region, Qixia District, Nanjing City, Jiangsu Province, the PRC (in case of holders of Domestic Shares) not less than 24 hours before the time appointed for the holding of the EGM or 24 hours before the time appointed for taking the poll. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. Holders of the H Shares or Domestic Shares who intend to attend the EGM are requested to complete the enclosed REPLY SLIP FOR ATTENDANCE AT THE EXTRAORDINARY GENERAL MEETING and return it to the Company’s Hong Kong H Share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the Company’s registered office at Building No. 1, Ruan Jian Chuang Ye Zhong Xin, High and New Technology Industrial Development Zone, Nanjing City, Jiangsu Province, the PRC (in case of holders of Domestic Shares) on or before Friday, 9 December 2011. The reply slip may be delivered by hand or by post.
4. The register of members of the Company will be closed from 30 November 2011 (Wednesday) to 30 December 2011 (Friday) (both days inclusive), during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company at the close of trading on 29 November 2011 will be entitled to attend and vote at the EGM convened by the above notice.
5. Members or their proxies shall present identity proof (and form of proxy in case of proxies) upon attending the EGM.

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. Ma Jun; and the independent non-executive Directors are Mr. Xu Suming, Mr. Li Haifeng and Mr. Shum Shing Kei.