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南京三寶科技股份有限公司

NANJING SAMPLE TECHNOLOGY CO., LTD.*

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1708)*

VOLUNTARY ANNOUNCEMENT

THE COMPANY'S PROJECT OF MANAGEMENT SYSTEM OF PROPERTIES INVOLVED IN CUSTOMS' CASES OF THE SECOND PHASE OF GOLD GATE CUSTOMS OF THE GENERAL ADMINISTRATION OF CUSTOMS PASSING THE ACCEPTANCE CHECKS

This voluntary announcement is made by Nanjing Sample Technology Company Limited (the "Company" or "Sample Technology").

Reference is made to the announcement of the Company dated 25 November 2016. The board of directors (the "Board") of the Company is pleased to announce that recently, the Project of Management System of Properties Involved in Customs' Cases of the Second Phase of Gold Gate Customs of the General Administration of Customs with RFID Site Collection Control Module and Integrated Services (海關總署金關工程二期海關涉案財物管理系統RFID現場採集控制模塊及集成服務項目) of the Company successfully passed the acceptance checks of the General Administration of Customs. Since being awarded the tender, the Company has assisted the General Administration of Customs in the completion and successful commencement of operation of smart stockrooms for properties and quality goods involved in cases with the latest RFID IOT technology for 41 customs offices directly under the General Administration of Customs across the nation which met the conditions of on-site implementation. This fulfills the requirements of the General Administration of Customs for fast and effective digital monitoring of properties and goods in kind involved in customs' cases across the nation.

BACKGROUND OF THE PROJECT

The RFID site collection control system under the management system of properties involved in customs' cases (the "RFID Site Collection Control System") is designed by Sample Technology specifically for the smart management of the Customs' stockrooms for confiscated properties and quality goods. With the advanced RFID IOT technology and by way of real-time collection control of and

judgement on digital information, alert and other means, the Company has achieved information-based, dynamic and real-time management of key and sensitive items with remote monitoring and synchronous warning, so as to precisely assure the security of key and sensitive confiscated properties. The development of this intelligent online real-time monitoring system for properties involved in cases for all customs offices across the nation by the Company and the General Administration of Customs has more far-reaching significance: (1) the Company works together with the General Administration of Customs on promoting the formation of standards and norms regarding the online monitoring of properties involved in customs' cases across the nation; (2) the Company assists the General Administration of Customs in the improvement of management means in relation to the dynamic monitoring of properties and goods in kind involved in customs' cases across the nation; and (3) it promotes the establishment of a socialized service model for the management of properties involved in customs' cases across the nation.

Successful deployment and application of the RFID Site Collection Control System across the nation is another deep-level cooperation with the General Administration of Customs after the recognition of Sample Technology's general integrator of intranet system for customs checkpoints and control system, highlights the integrated solution capability of the Company in the fields of IOT technology and customs supervision, and consolidates the leading position of the Company in the field of customs logistics safety supervision.

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

Nanjing, the PRC
19 October 2017

As at the date hereof, the executive directors are Mr. Sha Min (Chairman), Mr. Chang Yong and 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