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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in 南京三寶科技股份有限公司 (Nanjing Sample Technology Company Limited\*) (the “Company”), you should at once hand this circular, together with the accompanying proxy forms and reply slips, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**MAJOR TRANSACTION**

**PROPOSED DISPOSAL OF 31%**

**EQUITY INTEREST IN ZHONG JIAN ZHI KANG**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the EGM of the Company to be held at No. 10 Maqun Avenue, Maqun Technology Park, Qixia District, Nanjing City, Jiangsu Province, the PRC at 10:00 a.m. on Monday, 14 January 2013 is set out on pages 22 to 23 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's H Shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of the H Shares only) 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 (for the holders of the Domestic Shares only), as soon as possible but in any event not less than 24 hours before the respective time fixed for holding the EGM or any adjournment thereof. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

This circular will remain on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk> on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

19 December 2012

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:*

“Announcement”	the announcement issued on 30 November 2012 by the Company in relation to the Disposal
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Company”	Nanjing Sample Technology Company Limited* (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 (Stock Code: 1708)
“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Disposal”	the proposed disposal of 31% equity interest in Zhong Jian Zhi Kang by the Company to the Purchaser pursuant to the Share Transfer Agreement
“Disposal Interest”	the 31% equity interest in Zhong Jian Zhi Kang owned by the Company, being the subject matter under the Share Transfer Agreement
“Domestic Shares”	the ordinary domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for 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 at 10:00 a.m. on 14 January 2013 for the Shareholders to consider and, if thought fit, approve, among other things, the Share Transfer Agreement and the transactions contemplated thereby
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the main board of the Stock Exchange and subscribed for and traded in Hong Kong dollars

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or any of its connected persons (as defined under the Listing Rules)
“Latest Practicable Date”	13 December 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Pharmaceutical”	Nanjing Pharmaceutical Company Limited* (南京醫藥股份有限公司), a company incorporated with limited liability in the PRC
“percentage ratio(s)”	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China, for the purpose of this circular only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shanghai Yang Yue Investment Partnership Corporation (limited partnership)* (上海仰岳投資合夥企業(有限合夥)), a partnership established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of RMB1.00 each of the Company
“Share Transfer Agreement”	the share transfer agreement dated 29 November 2012 entered into between the Company and the Purchaser in relation to the Disposal
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Zhong Jian Zhi Kang”

Zhong Jian Zhi Kang Supply Chain Service Company Limited\* (中健之康供應鏈服務有限責任公司), a joint venture of the Company incorporated in the PRC with limited liability

“%”

per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Sha Min  
Mr. Chang Yong  
Mr. Guo Ya Jun

*Non-Executive Director*

Mr. Ma Jun

*Independent non-executive Directors:*

Mr. Xu Suming  
Mr. Li Haifeng  
Mr. Shum Shing Kei

*Registered Office:*

Building No.1,  
Ruan Jian Chuang Ye Zhong Xin,  
High and New Technology  
Industrial Development Zone  
Nanjing City  
Jiangsu Province  
PRC

*Principal place of business*

*in Hong Kong:*  
Room 3112A, 31/F,  
Shun Tak Centre,  
168-200 Connaught Road Central,  
Hong Kong

19 December 2012

*To the Shareholders*

Dear Sir or Madam,

**MAJOR DISPOSAL  
PROPOSED DISPOSAL OF 31%  
EQUITY INTEREST IN ZHONG JIAN ZHI KANG  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

On 29 November 2012, the Company and the Purchaser entered into the Share Transfer Agreement, pursuant to which, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Company's 31% equity interest in Zhong Jian Zhi Kang (a company whose equity interest is owned as to 50% by the Company before the Disposal) at the consideration of RMB129,200,000. Reference is made to the Announcement in relation to the Disposal.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, details of the Disposal, a notice convening the EGM and other information as required under the Listing Rules.

### THE SHARE TRANSFER AGREEMENT

The summary of the principal terms of the Share Transfer Agreement is set out below:–

#### Date

29 November 2012

#### Parties

- (1) Vendor : The Company
- (2) Purchaser : Shanghai Yang Yue Investment Partnership Corporation (limited partnership)\* 上海仰岳投資合夥企業(有限合夥)

The Purchaser is a partnership established in Shanghai whose principal activity is to provide comprehensive investment management services which include investment management, investment consultation (except finance and securities), venture investment, asset management, industrial investment and business consultation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

#### Interest to be disposed of

Pursuant to the Share Transfer Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Company's 31% equity interest in Zhong Jian Zhi Kang, a company whose equity interest is owned as to 50% by the Company as at the date of this circular and immediately before the Disposal.

#### Consideration

The consideration payable by the Purchaser for the Disposal Interest is RMB129,200,000, which was determined after arm's length negotiations between the Company and the Purchaser. The consideration is determined based on the market value of Zhong Jian Zhi Kang assessed by way of cost method by an independent professional valuer appointed by the Company. Based on the report of the independent professional valuer, the market value of Zhong Jian Zhi Kang as at 30 June 2012 was RMB416,794,000. In assessing the value of Zhong Jian Zhi Kang, the independent professional valuer has excluded its minority shareholders' equity interest in the sum of RMB82,136,971.49.

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## LETTER FROM THE BOARD

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### Payment Terms

The consideration of RMB129,200,000 for the Disposal shall be satisfied in the following manner:–

- (a) RMB64,600,000 shall be paid in cash by the Purchaser to the Company within fifteen (15) working days after the conditions precedent to the Share Transfer Agreement are satisfied; and
- (b) the remaining balance of RMB64,600,000 shall be paid in cash by the Purchaser to the Company before 31 March 2013.

### Conditions Precedent

Completion of the Disposal is conditional upon:

- (i) the passing of the resolution(s) by the Shareholders at the general meeting of the Company and by the Directors at the Board meeting of the Company to approve the Disposal; and
- (ii) the passing of the resolution(s) by the shareholders of Zhong Jian Zhi Kang at its general meeting to approve the Disposal.

If any of the above conditions has not been fulfilled within 6 months upon entering into the Share Transfer Agreement, the obligation of the parties under the Share Transfer Agreement shall cease and the Share Transfer Agreement shall be terminated.

### Completion

The Company shall complete all the relevant registration procedures at the Administration for Industry and Commerce for the Disposal within twenty (20) working days after the conditions precedent to the Share Transfer Agreement are satisfied.

Completion of the Disposal shall take place upon completion of the relevant registration procedures at the Administration for Industry and Commerce for the Disposal.

### FINANCIAL EFFECTS OF THE DISPOSAL ON THE GROUP

Based on the difference between the consideration of RMB129,200,000 and the Company's carrying value of investment in Zhong Jian Zhi Kang in the sum of RMB122,346,000 (calculated based on its shareholders' equity interest (excluding minority shareholders' equity interest) in the sum of RMB394,664,444.40) as at 30 June 2012, the Company expects to record an unaudited gain of approximately RMB6,854,000 for the Disposal.

As Zhong Jian Zhi Kang has not been a subsidiary of the Company and its accounts have never been consolidated into the accounts of the Company, the Board expects that the Disposal, upon Completion, will not have any material effect on the Group's earnings and

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## LETTER FROM THE BOARD

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liabilities. The Company will only recognize the profits from Zhong Jian Zhi Kang upon its actual receipt of dividends distributed by Zhong Jian Zhi Kang, and the Company's share of the profits of Zhong Jian Zhi Kang will reduce from 50% to 19% after Completion of the Disposal.

The Board expects that, upon Completion, the Disposal will cause the assets of the Company to increase by RMB5,825,900 as a result of the expected gain after tax from the Disposal.

### USE OF PROCEEDS

The sale proceeds will be utilized as general working capital for the principal business activities of the Group and for its sustainable development, including but not limited to construction of a research centre for the Company's integration of internet of things ("IOT") application, promoting IOT development in customs logistic monitoring sector, expansion of the market for expressway monitoring businesses, further development of a number of applications of professional labeling in different industries, and technological innovation and upgrading of readers in IOT service business.

### INFORMATION ON ZHONG JIAN ZHI KANG

#### Overview

Zhong Jian Zhi Kang is a limited liability company incorporated in the PRC with a registered and paid-up capital of RMB350,000,000. It is a joint venture company established by the Company and Nanjing Pharmaceutical (an Independent Third Party) in 2010. As at the date of this circular, the equity interest in Zhong Jian Zhi Kang is held as to 50% by the Company and as to 50% by Nanjing Pharmaceutical.

Zhong Jian Zhi Kang is a domestic pharmaceutical distribution enterprise, which is mainly engaged in the pharmaceutical wholesale business within the Jiangsu area. With a supply chain element as its base of resources, Zhong Jian Zhi Kang endeavored to establish a comprehensive supply chain service system. At the same time, Zhong Jian Zhi Kang is also exploring IOT technology in the field of pharmaceutical distribution, actively carrying out drug tracking management business.

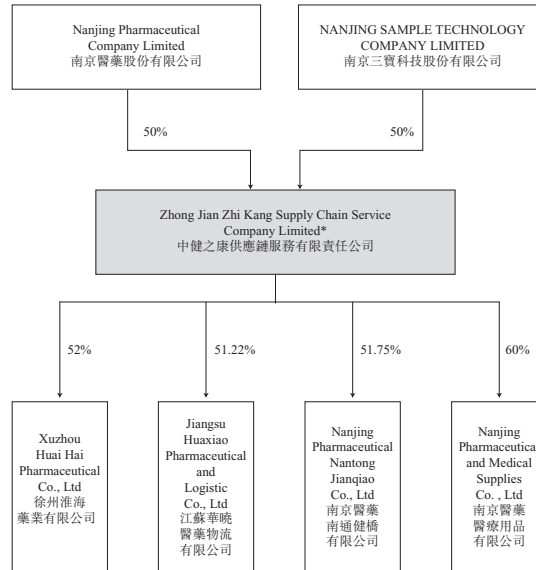
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## LETTER FROM THE BOARD

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### Group Structure

The group structure of Zhong Jian Zhi Kang as at the date of this circular and immediately before the Disposal (assuming there will be no change in the equity interest in Zhong Jian Zhi Kang before the Disposal) is set out below:



Following the Disposal, the equity interest in Zhong Jian Zhi Kang will be held as to: (i) 19% by the Company; (ii) 50% by Nanjing Pharmaceutical; and (iii) 31% by the Purchaser. The Board currently does not contemplate to dispose of the said 19% equity interest in Zhong Jian Zhi Kang retained by the Company.

### Financial Information

The chairman of the board of directors, general manager and finance manager of Zhong Jian Zhi Kang are all appointed by Nanjing Pharmaceutical. Nanjing Pharmaceutical has a control over Zhong Jian Zhi Kang's operations and finance and is its de facto controller. Nanjing Pharmaceutical therefore included Zhong Jian Zhi Kang in its consolidated financial statements, whereas the Company deconsolidated it.

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## LETTER FROM THE BOARD

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Set out below is the basic financial information of Zhong Jian Zhi Kang, which was prepared and audited in accordance with the PRC accounting standards:

	<b>As at 31 December</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	1,896,202	487,202
Net assets	464,529	151,970
Total revenue	4,033,006	792,780
Net Profit (before taxation)	38,153	5,257
Net Profit (after taxation)	29,094	3,900

As at 30 June 2012, based on its unaudited management accounts, the net assets and total assets (inclusive of minority shareholders' equity interest of RMB82,136,971.49) of Zhong Jian Zhi Kang were RMB476,801,415.89 and RMB2,156,061,504.30 respectively. If the aforesaid minority shareholders' equity interest had been excluded, the shareholders' equity interest of Zhong Jian Zhi Kang was RMB394,664,444.40 as at 30 June 2012.

### REASONS FOR THE DISPOSAL

During the process of exploring the healthcare internet of things (IOT) application, the Board considers that Zhong Jian Zhi Kang generates a relative low rate of return and is unable to meet the Company's return on investment requirements notwithstanding the Company's overly large amount of investment in Zhong Jian Zhi Kang.

For the two financial years ended 31 December 2011, the average rate of return on investment of the Group calculated by comparing the net profits after tax and the net assets was 17.68% and the Company expects the rate of return on investment of its subsidiaries and investments should not be substantially lower than such average rate. However, the rate of return on investment of Zhong Jian Zhi Kang for the financial year ended 31 December 2011 was only 6.26%.

Notwithstanding that Zhong Jian Zhi Kang has failed to meet the Company's expected rate of return on investment, the Company believes that the business of internet of things application in the healthcare industry is generally expanding and the Company wishes to maintain a certain extent of engagement in this business and therefore decides to retain 19% of equity interest in Zhong Jian Zhi Kang. In addition, the sale of only 31% of equity interest Zhong Jian Zhi Kang has taken into account the financial sources and development plans of the Purchaser and was a result of the parties' arm's length negotiation.

In light of these circumstances, the Board is of the view that the Disposal is expected to enhance the cash position and thus the working capital of the Group, and will bring positive financial and operation impact to the Company, both of which will be beneficial to the future development of the Company.

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## LETTER FROM THE BOARD

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The terms of the Share Transfer Agreement have been determined after arm's length negotiations between the Company and the Purchaser. The Directors consider that the terms of the Share Transfer Agreement are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

### INFORMATION ON THE GROUP

Trading in the H Shares of the Company, the Group is mainly based on visual identification and radio frequency identification technology to provide total solutions for application to the sectors of intelligent transportation, customs logistics, medical and healthcare.

### LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios for the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and accordingly, is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. As no Shareholders have a material interest in the Disposal, none of the Shareholders are required to abstain from voting on the resolution to be proposed at the EGM to approve the Share Transfer Agreement and the transactions contemplated thereunder.

### EGM

Set out on pages 22 to 23 is a notice convening the EGM to be held at No. 10 Maqun Avenue, Maqun Technology Park, Qixia District, Nanjing City, Jiangsu Province, the People's Republic of China on Monday, 14 January 2013 at 10:00 a.m. at which an ordinary resolution will be proposed to approve the Share Transfer Agreement and the transactions contemplated thereby.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's H Shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of the H Shares only) 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 (for the holders of the Domestic Shares only), as soon as possible but in any event not less than 24 hours before the respective time fixed for holding the EGM or any adjournment thereof. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors considers that the terms of the Share Transfer Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
南京三寶科技股份有限公司  
**Nanjing Sample Technology Company Limited\***  
**Sha Min**  
*Chairman*

\* *For identification purpose only*

**FINANCIAL INFORMATION OF THE GROUP**

The audited financial information of the Group for the two years ended 31 December 2010 and 2011 can be referred to in the annual reports of the Company which have been published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.sampletech.com.cn](http://www.sampletech.com.cn)).

**STATEMENT OF INDEBTEDNESS****Borrowings and debts**

As at the close of business on 31 October 2012, being the latest practicable date for the purpose of this indebtedness statement, the Group had guaranteed bank borrowings of approximately RMB166,000,000 and unguaranteed bank borrowings of approximately RMB100,000,000. All the Group's bank borrowings are unsecured.

**Pledge of assets**

As at the close of business on 31 October 2012, the Group had pledged its bank deposits in the amount of RMB46,662,440.24 as guarantee money for its projects bidding and projects-in-progress.

**Contingent liabilities**

As at the close of business on 31 October 2012, the Group had no material contingent liabilities or guarantees.

**Disclaimer**

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities (including but not limited to guarantee provided by the Company for the bank borrowings of its subsidiaries), normal trade and other payables, and receipt in advance as at 31 October 2012, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured, or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 October 2012.

**MATERIAL ADVERSE CHANGES**

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest audited financial statements of the Group were made up.

**WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that after taking into account the present internal financial resources of the Group and the available banking facilities of the Group, following the completion of the Share Transfer Agreement, and after considering the financial impact of the Disposal, in the absence of unforeseen circumstances, the Group will have sufficient working capital for its businesses for at least twelve months from the date of this circular.

**FINANCIAL AND TRADING PROSPECT OF THE GROUP**

Upon Completion, the Company will hold 19% equity interest in Zhong Jian Zhi Kang. The Group will continue its principal business in visual identification and radio frequency identification technology to provide total solutions for application to the sectors of intelligent transportation, customs logistics, medical and health care in the PRC.

**Research and Development**

In 2012, the Group continues to increase the investment in science and technology, strengthen the foundation ability of science and technology, create an environment for science and technology advancement, so as to attract more talents, especially the talents who have the required academic affairment, and also formulate policies on future revenue for products or use of venture capital, implement market mechanism and encourage innovation practice. Innovation in science and technology included platform development, new product R&D, prospective research and supporting foundation, specially included development of application of machine vision cloud service, R&D for car networking unit, R&D for origin of commodity unit, commercialization of electronic lock, commercialization of turnover box, commercialization of mini reader and writer, commercialization of vehicle identification device for multi-lanes, R&D for integration of RFID and sensor and improvement of R&D management platform, etc.

**Sales and marketing***Integrated businesses*

In 2012, the Group comprehensively tracks and participates in the second phase of the planning and construction of Gold Gate Customs. Through the application and intelligence analysis development of IOT, we actively conduct the large scale construction of intelligent command center and logistic monitoring, carry out the strategic layout for the future customs business; Through technology innovation, we strengthen our core competitiveness and upgrade our existing business so as to double our growth; we cooperate with professional peer companies by means of merger or deep cooperation to broaden our business models; we strengthen construction of service brand for promoting the depth and reputation of customer services steadily.

In 2012, the Group leverages on the advantage in funding, qualification and resources to realize the innovation and transformation in the traditional business management model, cooperate with government to promote the model, legal results and technology solutions,

thereby form the technical protection city program with the industry leading level, boost our technological strength for implementation of technology financial project; we continue to lay the highest stress on marketing, strengthen the ability of business expansion, emphasis on development of first hand customer resources, and value the strategic cooperation in the industry; as for the new business sector, we broaden the acquisition channels of projects by making full use of the technology and financial measures, so as to increase profit margins of the projects; we continue to prepare well in quality and efficiency for bidding and tendering documents, and to raise the level of project management and enhance the capacity of project implementation.

In 2012, the Group seizes the opportunities arising from the market and state policies, increase our market share so as to further enhance our core competitiveness, and strengthen the impact on the industry; we will seize the key markets, resources and projects for unified operation to ensure the projects will be acquired and implemented in high quality; we will pay much attention on after sales services, intensify customer service awareness and gain further reputation in the industry.

#### *Product supply*

In 2012, the Group actively cooperates with system integrators and distributors in other industries based on the original marketing mode and channel. We supply the Nanjing intelligence transportation equipments and labels with self-owned products and promote IOT technologies products, strive to achieve new sales growth based on the main products of self-owned ultra high frequency (“UHF”) reader; Meanwhile, we focus on building the IOT product trade platform which aims at the layout strategic of IOT so as to effect in the promotion of application of relevant IOT. The specific measures include: focus on target commodity and reduce the labelling cost to its lowest possible level; carry out the R&D of RFID and enrich the Company’s IOT technical product line and with more promotional support develop the product system for IOT technical products at consumption level, further improve the whole structure, functionality and performance of the IOT product system so as to fully present the Company’s core competitiveness and price advantages of its technical products when promoting the implementation of intelligence traffic model and IOT environmental application in future.

#### **Information services**

In 2012, the Group further carries out the construction of technical platform, build up certain platform systems including supporting platform for operation, internet portal display platform and vehicle-mounted collection platform.

Meanwhile, the Group actively carries out certain operation services including real time traffic, parking, electronic medical records and expansion services of vehicle cards, etc.

In 2012, the Group actively creates the supply chain service network, exploiting areas for sustainable development, and actively develop the business models for cooperative procurement and synergic marketing;

We set up the business operation system integrating purchase and sale processes, put forward the classification management among suppliers and products, improve the procurement and settlement rules and make innovation in channel management services so as to raise fully its level of business; we make great effort to develop electronic business, try to achieve business transformation to form the networking of offline business, and vertical search of supply chain service platform and industry; we consolidate and deepen the results for electronic ordering and online display trading platform.

**Future prospects of the Group**

The Group will set up the business operation system integrating purchase and sale processes, put forward the classification management among suppliers and products, improve the procurement and settlement rules and make innovation in channel management services so as to raise fully its level of business; we will make great effort to develop electronic business, try to achieve business transformation to form the networking of offline business, and vertical search of supply chain service platform and industry; we will consolidate and deepen the results for electronic ordering and online display trading platform. Looking forward, with its management strengths, the Group will strive to further enhance its competitive position and aim to enhance the Shareholders' return.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests or short positions in the share capital of the Company and its associated corporations of the Directors, Supervisors and chief executive officers

Save as disclosed below, as at the Latest Practicable Date, none of the Directors, Supervisors and chief executive officers of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong)) which should be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or which they are deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company pursuant to the required standard of dealings as set out in Appendix 10 of the Listing Rules.

#### Long Positions in Shares

Name of Directors	Number of Shares	Nature of Interest	Approximate Percentage of the Registered Capital of the Company (%)
Sha Min	1,350,000	Beneficial owner	0.6%
	65,720,000	Interest of controlled corporation	29.33%

*Note:* Mr. Sha Min (“Mr. Sha”) directly holds 1,350,000 domestic shares of the Company and is interested in 47.91% of equity interest of Nanjing Sample Technology Group Company Limited which in turn owns 65,720,000 domestic shares of the Company. Under the SFO, Mr. Sha is deemed to be interested in all 67,070,000 domestic shares of the Company. Du Yu (杜予) is the spouse of Mr. Sha. Under the SFO, Du Yu is also deemed to be interested in 67,070,000 domestic share of the Company in which Mr. Sha is interested.

**(b) Shares discloseable under the SFO and substantial shareholders**

So far as to the knowledge of the Directors, as at the Latest Practicable Date, the following shareholders (other than the Directors, Supervisors or chief executive officers of the Company) had interests and short positions in the shares or underlying shares of the Company which should be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

**Long position in Shares**

<b>Name of Shareholders</b>	<b>Number of Shares</b>	<b>Nature of Interest</b>	<b>Approximate Percentage of the Registered Capital of the Company (%)</b>
Nanjing Sample Technology Group Company Limited (“Sample Group”) <i>(Note 1)</i>	65,720,000 Domestic Shares	Beneficial owner/ corporate	29.33%
Jiangsu Ruihua Investment Holding Group Company Ltd.	15,000,000 Domestic Shares	Beneficial owner/ corporate	6.69%
Active Gold Holding Limited	49,545,000 Domestic Shares	Beneficial owner/ corporate	22.11%
Atlantis Capital Holdings Limited <i>(Note 2)</i>	28,889,000 H Shares	Interest of controlled corporation	12.89%
Liu Yang <i>(Note 2)</i>	28,889,000 H Shares	Interest of controlled corporation	12.89%
Golden Meditech Holdings Limited <i>(Note 3)</i>	12,097,000 H Shares	Interest of controlled corporation	5.40%
Manygain Global Limited	10,000,000 H Shares	Beneficial owner	4.46%
JP Morgan Chase & Co.	7,000,000 H Shares	Interest of controlled corporation/ Custodian corporation/approved lending agent	3.12%

Name of Shareholders	Number of Shares	Nature of Interest	Approximate Percentage of the Registered Capital of the Company (%)
Norges Bank	7,000,000 H Shares	Beneficial owner	3.12%

*Note:*

- (1) Sample Group directly holds 60,770,000 Domestic Shares. Sample Group is also interested in 100% of the registered capital of Nanjing Sample Technology Commerce City Company Limited\* (南京三寶科技商城有限公司) (“Sample Commerce City”), which holds 4,950,000 Domestic Shares and therefore by virtue of the SFO, Sample Group is deemed to be interested in the 4,950,000 Domestic Shares held by Sample Commerce City. As such, Sample Group is the substantial and the single largest shareholders of the Company. Mr. Sha Min, the Chairman of the Company, held 47.91% of equity interest of Sample Group, together with parties acting in concert with him (including 3.58% held by Ms. Liao Qiong, 9.52% held by Mr. Sun Huai Dong, 4.67% held by Mr. Chang Yong, an executive director of the Company, and 2.27% held by Mr. Guo Ya Jun, an executive director of the Company) held an aggregate of 67.95% of equity interest of Sample Group.
- (2) Atlantis Capital Holdings Limited is 100% owned by Ms. Liu Yang. Both Atlantis Capital Holdings Limited and Ms. Liu Yang owned the 28,889,000 Shares in a capacity of interest under controlled corporation.
- (3) 12,097,000 H Shares were held by GM Investment Company Limited, which is a wholly-owned subsidiary of Golden Meditech Holdings Limited (formerly known as Golden Meditech Company Limited). By virtue of GM Investment Company Limited’s interests in the Company, Golden Meditech Company Holdings Limited is deemed to be interested in the same 12,097,000 H Shares under the SFO.

### 3. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) A guarantee agreement dated 23 May 2011 made by the Company as guarantor in favour of Bank of Jiangsu Company Limited\* (江蘇銀行股份有限公司) for the provision of guarantee on the repayment in full the principal amount, interests, fees and expenses of a loan facility to be granted by the bank to Zhong Jian Zhi Kang for an amount of RMB200,000,000. The Company was subsequently released from the guarantee on 15 June 2012.
- (ii) Agreements dated 12 August 2011 made between the Company as purchaser and Nanjing Sample Technology Group Co. Ltd.\* (南京三寶科技集團有限公司) as vendor for the sale and purchase of a plant with a gross floor area of 2,262m<sup>2</sup> and a land use right with an area of 28,612m<sup>2</sup> at the total consideration of RMB16,835,400.

- (iii) The agreement dated 18 October 2011 entered into by Nanjing Wu Lian Wang Yan Jiu Yuan Development Co., Limited (南京物聯網研究院發展有限公司), a wholly-owned subsidiary of the Company, with Nanjing Kang Da Lai Electronic Technology Co., Ltd. (南京康達來電子科技有限公司) to acquire 65% equity interests of Nanjing City Intelligent Transportation Co., Ltd. (南京城市智能交通有限公司) at a consideration of RMB14,350,000.
- (iv) A capital injection agreement dated 19 December 2011 made between Nanjing Pharmaceutical, the Company and Zhong Jian Zhi Kang, pursuant to which each of the Company and Nanjing Pharmaceutical injected RMB100,000,000 as the registered capital of Zhong Jian Zhi Kang.
- (v) An equity transfer agreement with 南京三寶數碼科技有限公司 (Nanjing Sample Digital Technology Co., Ltd.) on 24 May 2012 for the acquisition of 13.83% equity interest in 南京市信息化投資控股有限公司 (Nanjing City Information Investment Holding Co., Ltd.) at a total consideration of RMB24,400,000.
- (vi) The Share Transfer Agreement, the terms of which are set out in this circular.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, a service contract with any member of the Group (excluding contracts expiring or determinable by such member of the Group within one year without payment of compensation, other than statutory compensation).

#### **5. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited financial statements of the Group was made up.

#### **6. INTEREST IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2011, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2011), or were proposed to be acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2011).

**7. INTEREST IN CONTRACT OR ARRANGEMENT**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2011, being the date to which the latest audited consolidated financial statements of the Company have been made up).

**8. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors and their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**9. LITIGATIONS**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**10. MISCELLANEOUS**

So far as is known to the Directors, as at the Latest Practicable Date, there was (i) no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder, whereby he has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of his Shares to a third party, either generally or on a case-by-case basis.

So far as is known to the Directors, as at the Latest Practicable Date, there was no discrepancy between any Shareholder's beneficial shareholding interest in the Company as disclosed in this circular and the number of Shares in respect of which he will control or will be entitled to exercise control over the voting right at the EGM.

The registered office of the Company is at Building No. 1, Ruan Jian Chuang Ye Zhong Xin, High and New Technology Industrial Development Zone, Nanjing City, Jiangsu Province, the PRC and the principal place of business of the Company in Hong Kong is at Room 3112A, 31/F., Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Company's Hong Kong branch H Shares registrar is Computershare Hong Kong Investors Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The company secretary of the Company is Ms. Wong Lai Yuk, an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection during normal business hours on any business day at the principal place of business in Hong Kong of the Company at Room 3112A, 31/F, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the “Letter from the Board”, the text of which is set out on pages 4 to 11 of this circular;
- (c) the valuation report on the value of Zhong Jian Zhi Kang dated 8 November 2012 prepared by Jiangsu Lixin Yonghua Assets and Real Estate Appraisal Co., Ltd;
- (d) the annual reports of the Company for the two years ended 31 December 2010 and 2011;
- (e) the interim report of the Company for the six months ended 30 June 2011 and 2012;
- (f) the material contracts referred to in the section headed “Material Contracts” in this Appendix;
- (g) the service contracts referred to in the section headed “Directors’ Service Contracts” in this Appendix;
- (h) a copy of this circular; and
- (i) the circular dated 22 June 2012 issued by the Company in relation to, inter alia, a discloseable and connected transaction constituted by the Company’s acquisition of 13.83% equity interest in Nanjing City Information Investment Holding Co., Ltd.\* (南京市信息化投資控股有限公司).

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## NOTICE OF EGM

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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)**

**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 People’s Republic of China on Monday, 14 January 2013 at 10:00 a.m. for the purposes of considering, and if thought fit, passing the following resolution:

#### **ORDINARY RESOLUTION**

**“THAT**

- (a) the share transfer agreement (“**Share Transfer Agreement**”) dated 29 November 2012 entered into between Nanjing Sample Technology Company Limited (the “**Company**”) as the vendor and Shanghai Yang Yue Investment Partnership Corporation (limited partnership)\* 上海仰岳投資合夥企業(有限合夥) as the purchaser regarding the disposal of the 31% equity interest in Zhong Jian Zhi Kang Supply Chain Service Company Limited\* (中健之康供應鏈服務有限責任公司), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorized to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be, as they may in their discretion consider necessary, desirable or expedient to implement and give effect to the Share Transfer Agreement and all the transactions contemplated thereunder.”

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

Nanjing, the PRC

19 December 2012

\* *for identification purpose only*

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## NOTICE OF EGM

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*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 Tuesday, 8 January 2013. The reply slip may be delivered by hand or by post.
4. The register of members of the Company will be closed from 4 January 2013 (Friday) to 14 January 2013 (Monday) (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 11 January 2013 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.*