



FINANCIAL HIGHLIGHTS

The total operating income of the Group for the six months ended 30 June 2012 (the "Period") amounted to approximately RMB311,560,600.70, representing a

Financial Information

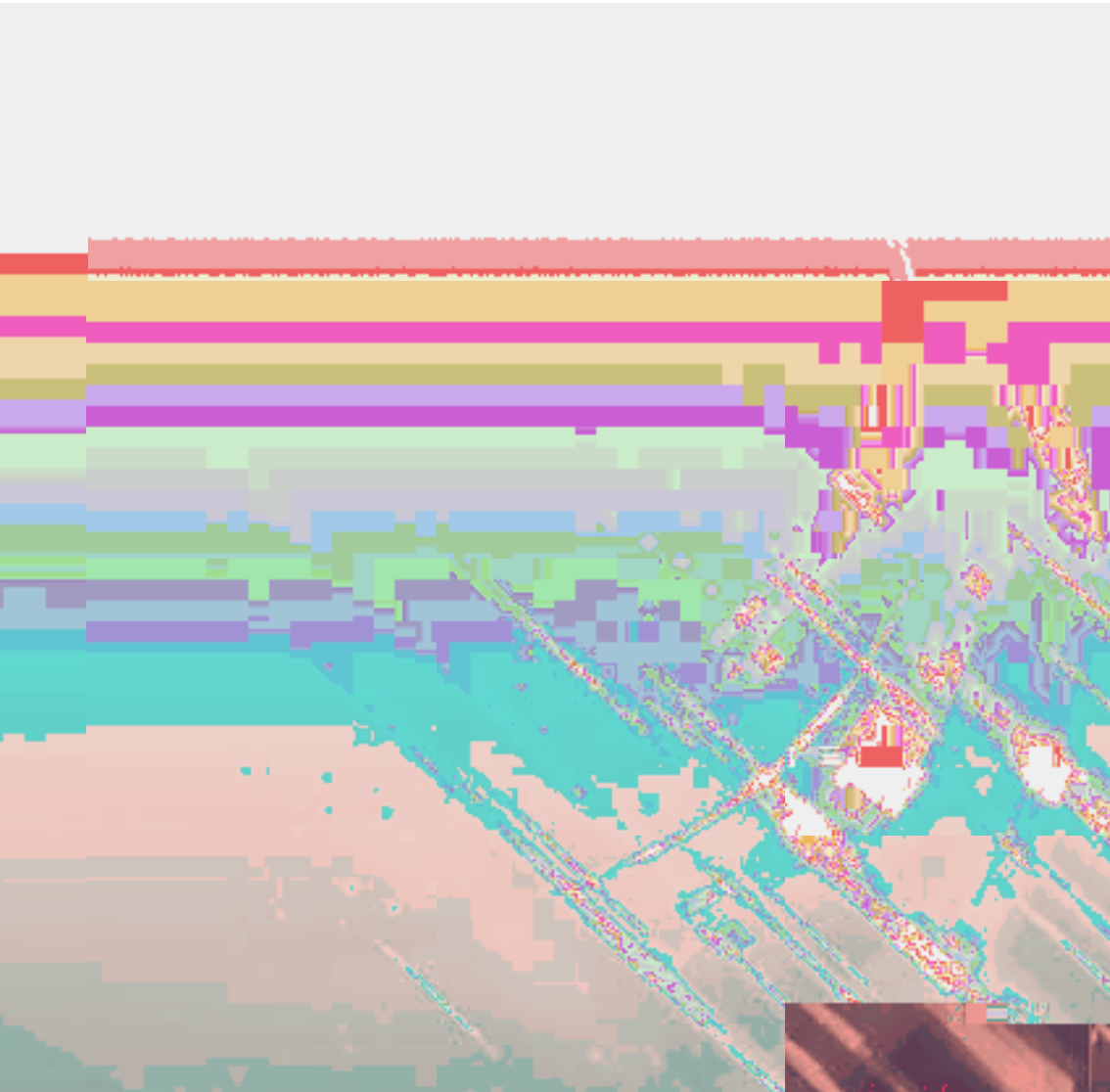
CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2012

ITEMS	Note	Six months ended 30 June	
		2012	2011 (Restated)
I. Total operating income	2	311,560,600.70	302,819,999.50
II. Total operating cost		240,209,041.42	248,673,440.23
Operating cost		187,931,687.51	216,189,000.96
Taxes and surcharges		7,489,405.92	1,746,848.26
Selling expenses		8,839,122.10	6,161,121.61
Administrative expenses		27,334,735.75	17,787,537.86
Finance costs	4	7,645,583.22	6,788,931.54
Impairment losses for assets		968,506.92	-
Share of profit of associates and jointly controlled entities		4,322,682.62	146,134.05
Other investment income		2,249.18	-
III. Operating profit		75,676,491.08	54,292,693.32
Add: Non-operating income		14,157,096.63	14,673,954.16
Less: Non-operating expenses		211,351.97	-
IV. Total profit		89,622,235.74	68,966,647.48
Less: income tax expenses	5	16,851,716.26	8,303,978.46
V. Net profit		72,770,519.48	60,662,669.02
Net profit attributable to the shareholders of the Company		73,378,048.07	60,662,669.02
VI. Other comprehensive income		-	(2,000.00)

CONSOLIDATED INCOME STATEMENT (UNAUDITED) (Continued)

ITEMS	Note	Six months ended 30 June	
		2012	2011 (Restated)
VII. Total comprehensive income		72,770,519.48	60,660,669.02
Total comprehensive income attributable to the shareholders of the Company		73,378,048.07	60,660,669.02
Total comprehensive income attributable to minority shareholders		(607,528.59)	-
VIII. Earnings per share:	6		
(1) Basic earnings per share		0.327	0.271
(2) Diluted earnings per share		0.327	0.271
IX. Dividends	7	-	-



Financial Information

CONSOLIDATED BALANCE SHEET (Continued)

At 30 June 2012

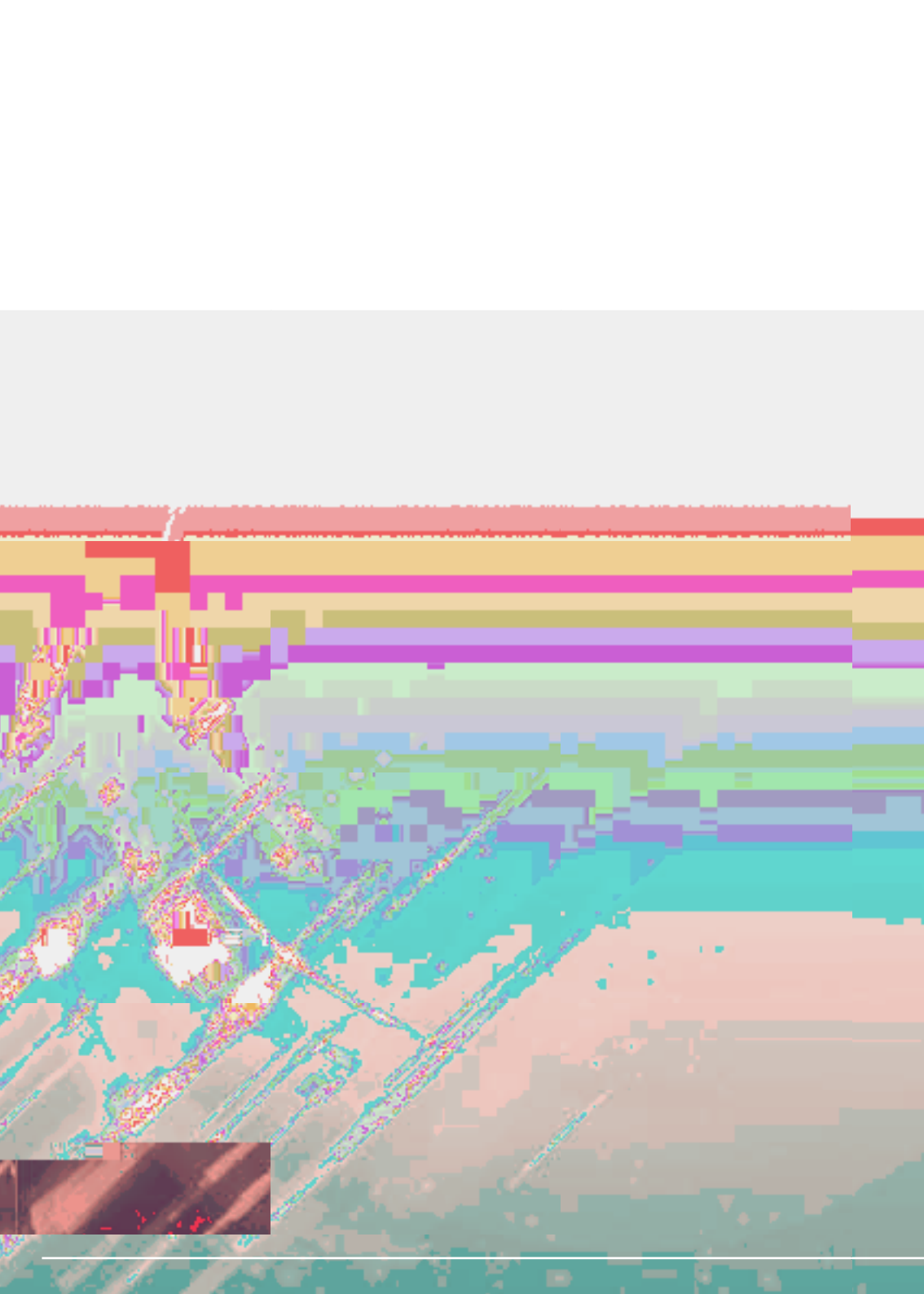
	Note	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
Total liabilities		705,146,645.88	655,900,060.10
Shareholders' equity:			
Share capital		224,100,000.00	224,100,000.00
Capital reserve		102,999,020.45	102,999,020.45
Surplus reserve		34,049,480.44	34,049,480.44
Undistributed profits		500,595,124.21	427,217,076.14
Difference on translation of financial statements in foreign currency		(3,620,518.26)	(3,643,142.26)
Total equity attributable to the shareholders of the Company		858,123,106.84	784,722,434.77
Minority interest		35,119,394.49	7,726,923.08
Total shareholders' equity		893,242,501.33	792,449,357.85
Total liabilities and shareholders' equity		1,598,389,147.21	1,448,349,417.95
Net current assets		549,602,998.67	495,136,283.39
Total assets less current liabilities		914,468,063.72	794,051,861.27

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2012

(All amounts in Renminbi yuan unless otherwise stated)

ITEMS	Six months ended 30 June	
	2012	2011 (restated)
I. Cash flows from operating activities		
Net cash flows from operating activities	33,452,814.55	(44,704,213.76)
II. Cash flows from investing activities		
Net cash flows from investing activities	(228,337,404.34)	(86,314,000.05)
III. Cash flows from financing activities		
Net cash flows from financing activities	117,617,423.05	13,211,491.36
IV. Effect of foreign exchange rate changes on cash and cash equivalents	365,438.72	-
V. Net increase in cash and cash equivalents	(76,901,728.02)	(117,806,722.45)
Add: Cash and cash equivalents at beginning of period	415,049,940.54	310,158,695.63
VI. Cash and cash equivalent at end of period	338,148,212.52	192,351,973.18

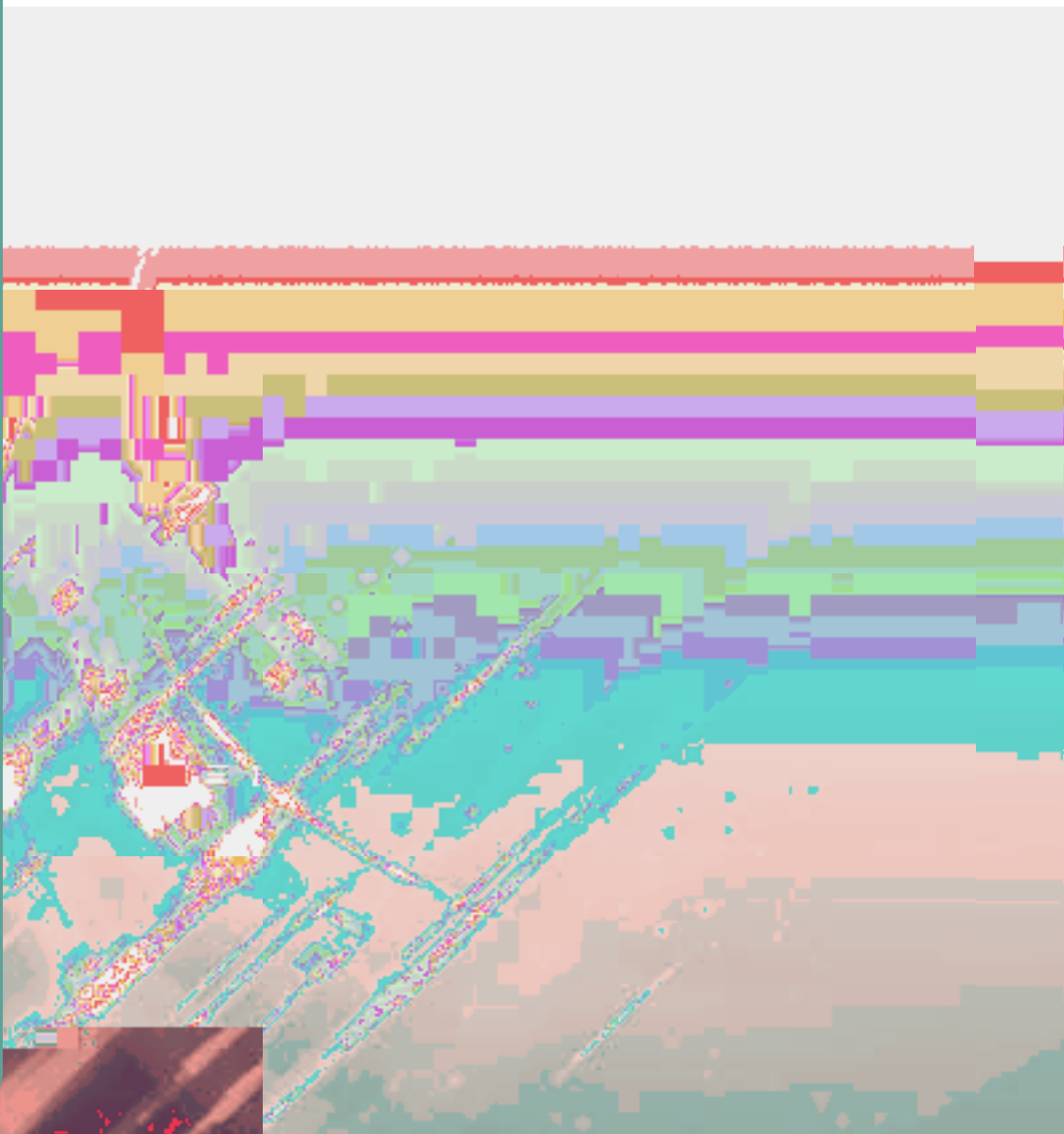


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (Continued)

ITEMS	Six months ended 30 June 2011 (restated)						Total shareholders' equity
	Attributable to the owners of the Company						
	Share capital	Capital surplus	Surplus reserve	Undistributed profits	Others	Minority interest	
I. Closing balance of prior year	224,100,000.00	97,561,268.03	28,801,169.93	308,821,323.70	(431,136.12)	-	658,852,625.54
II. Opening balance of current year	224,100,000.00	97,561,268.03	28,801,169.93	308,821,323.70	(431,136.12)	-	658,852,625.54
III. Changes during the period				60,662,669.02	2,000.00	-	60,664,669.02
(I) Net profits	-	-	-	60,662,669.02	-	-	60,662,669.02
(II) Other comprehensive income	-	-	-	-	2,000.00	-	2,000.00
(III) Shareholders contribution and capital reduction	-	-	-	-	-	-	-
(IV) Profit appropriation	-	-	-	-	-	-	-
1. Appropriation to surplus reserves	-	-	-	-	-	-	-
2. Appropriation to shareholders	-	-	-	-	-	-	-
IV. Closing balance of current period	224,100,000.00	97,561,268.03	28,801,169.93	369,483,992.72	(429,136.12)	-	719,517,294.56

Financial Information

NOTE II n.05999.LE UNAUDITED INTERIM FINANCIAL STATEMENTSq1Tf21.039s 19scn-.0001



2. TOTAL OPERATING INCOME (Continued)

(1) Operating income and operating cost

Item	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited) (restated)
Principal operating income	308,611,488.88	302,819,999.50
Other operating income	2,949,111.82	-
Total operating income	311,560,600.70	302,819,999.50
Principal operating cost	187,406,911.45	216,189,000.96
Other operating cost	524,776.06	-
Total operating cost	187,931,687.51	216,189,000.96

(2) Principal operations (b product)

Name of Products	Six months ended 30 June 2012 (Unaudited)		Six months ended 30 June 2011 (Unaudited) (restated)	
	operating income	operating cost	operating income	operating cost
Intelligent traffic	234,275,037.83	161,164,290.38	221,952,614.88	173,256,452.32
Customs logistics	11,358,543.16	6,035,515.50	47,282,384.64	27,713,720.44

Financial Information

3. SEGMENTS INFORMATION

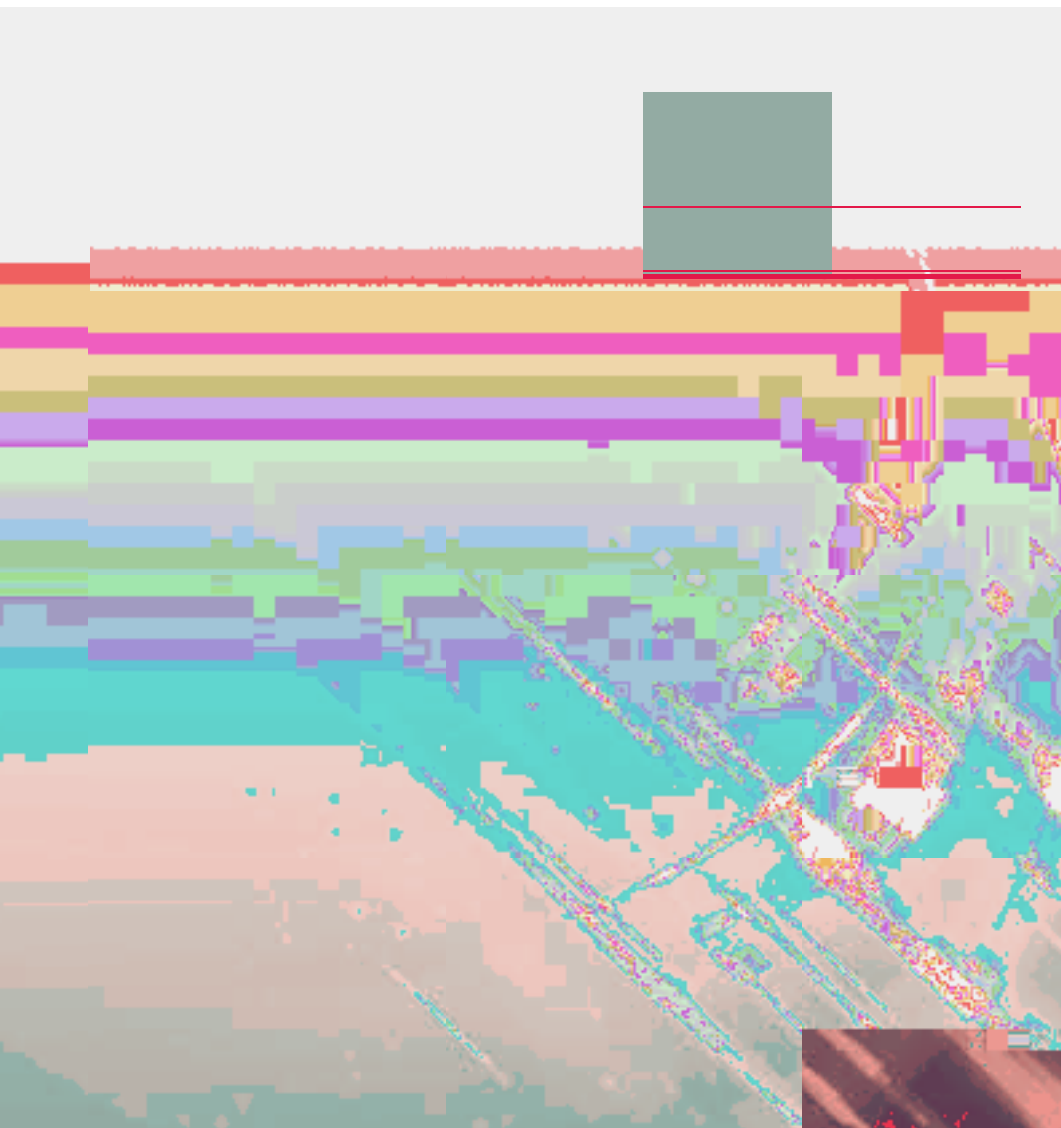
Information regarding the Company's reportable operating segments as provided to the Company's chief operating decision makers for the purposes of resources allocation and assessment of segment performance for the Period is only derived from intelligent system business. In addition, the Company's operations are situated in the PRC in which its revenue was derived principally therefrom. Accordingly, no separate segments are presented.

4. FINANCE COSTS

Item	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited) (restated)
Interest expenses	10,039,336.55	8,501,511.37
Less: interest income	2,816,083.81	2,080,596.02
Exchange (gains)/losses	(301,800.76)	(642.39)
Others	724,131.24	368,658.58
Total	7,645,583.22	6,788,931.54

Notes: Interest expenses are interest on bank borrowings wholly repayable within five years.

5. INCOME TAX EXPENSES



Financial Information

5. INCOME TAX EXPENSES (Continued)

On 22 December 2009, Jiangsu Raifu Intelligent Tech. Co., Ltd., a subsidiary of the Company, obtained the High and New Technology Enterprise certificate jointly issued by the Jiangsu Science and Technology Bureau, Jiangsu Finance Bureau, Jiangsu State Tax Bureau and Jiangsu Local Tax Bureau (江蘇省科學技術廳、江蘇省財政廳、江蘇省國家稅務局、江蘇省地方稅務局). Pursuant to article 28 of the Enterprise Income Tax Law of the People's Republic of China, the income shall be taxed at the reduced rate of 15% for the New and High Technology Enterprise. Therefore, its tax rate was 15% during the reporting period.

The other domestic subsidiaries of the Company were taxed at 25% enterprise income tax rate.

The offshore subsidiaries of the Company were taxed at the local applicable income tax rate.

6. EARNINGS PER SHARE

The calculation of the earnings per share is based on the net profit for the period attributable to the shareholders of the Company of RMB73,378,048.07 (2011: RMB60,662,669.02) and weighted average number of issued ordinary shares of 15% during the reporting period.

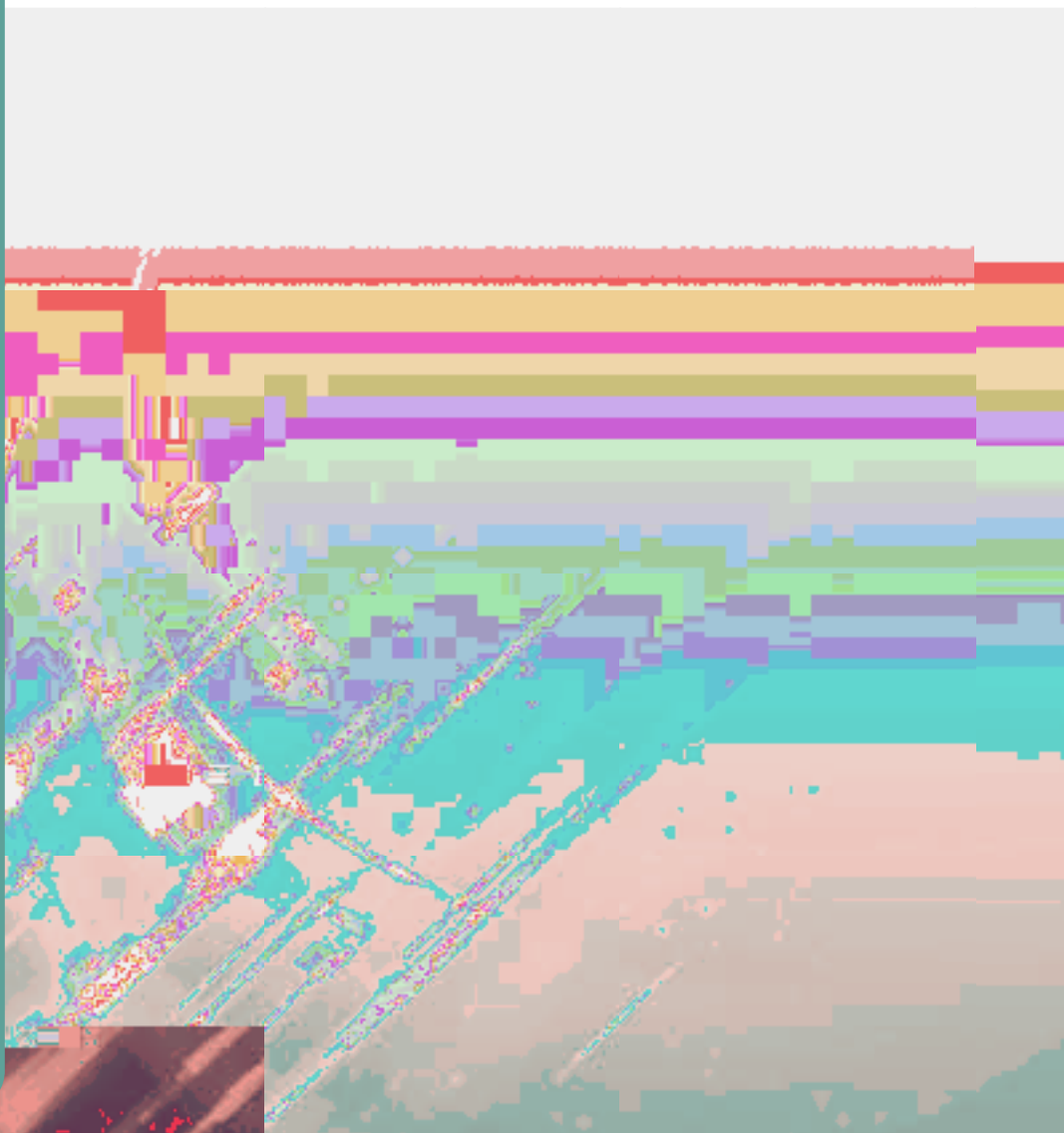
8. TRADE AND OTHER RECEIVABLES

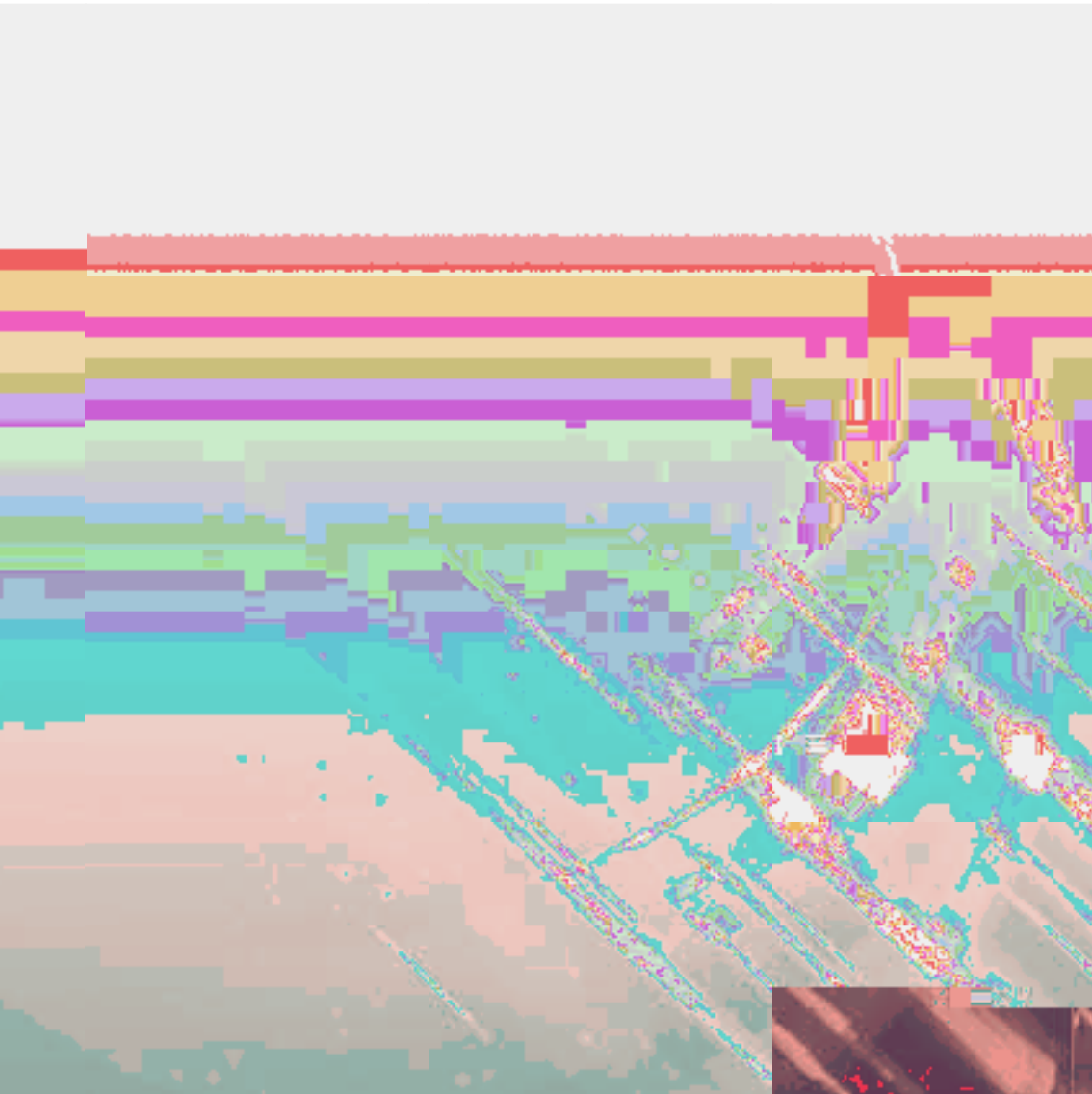
	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
Accounts receivable	301,221,260.37	339,502,633.05
Less: Provision for doubtful and bad debts for accounts receivables	16,697,050.49	18,426,134.13
Bills receivable	200,000.00	856,348.50
Prepayments	13,311,017.80	3,193,664.28
Other receivables	126,754,870.23	89,262,684.80
Less: Provision for doubtful and bad debts for other receivables	214,363.24	329,688.47
Total	424,575,734.67	414,059,508.03

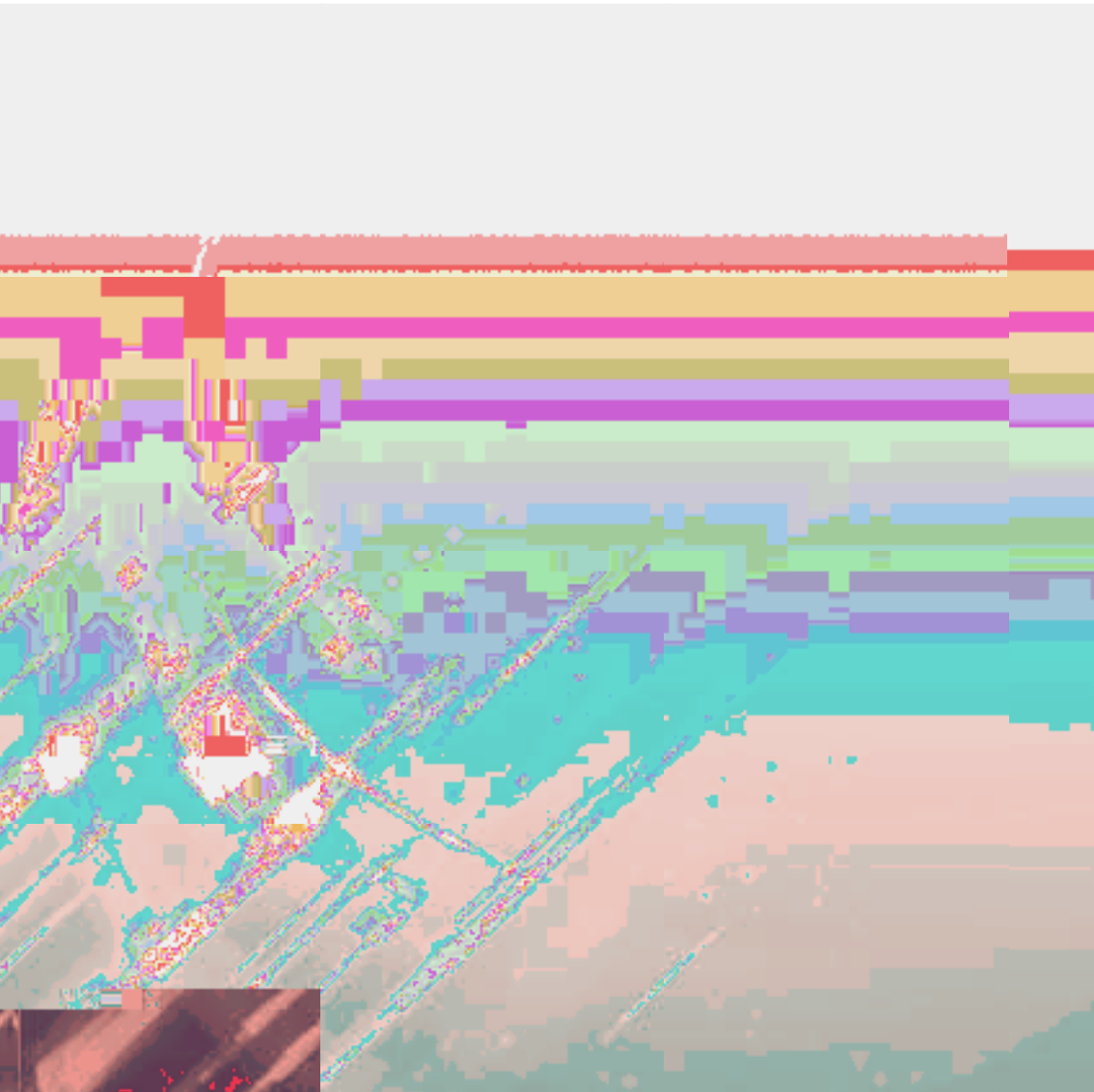
The aging analysis of accounts receivable

Types	At 30 June 2012 (Unaudited)		At 31 December 2011 (Audited)	
	Closing balance	Provision for bad debts	Closing balance	Provision for bad debts
Within 1 year (including one year)	256,287,101.50	7,682,218.25	300,986,541.49	8,261,307.30
1 to 2 years	27,267,585.74	2,421,105.18	21,401,137.54	1,306,666.81
2 to 3 years	8,754,777.28	2,481,634.02	6,893,682.57	1,726,660.88
Over 3 years	8,911,795.85	4,112,093.04	10,221,271.45	7,131,499.14
Total	301,221,260.37	16,697,050.49	339,502,633.05	18,426,134.13

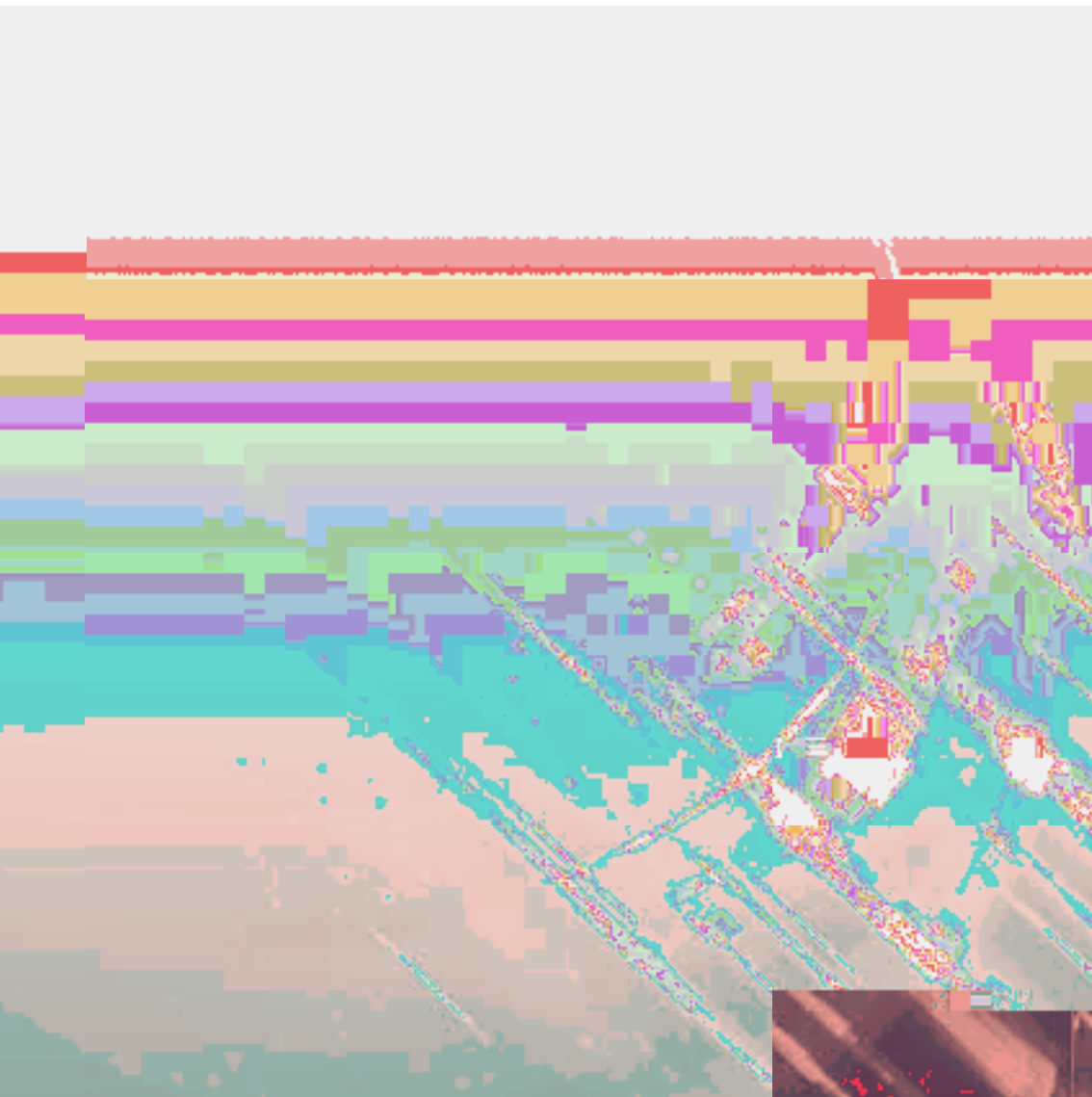
Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable within 180 days of issuance, except for certain well-established customers.







Management Discussion and Analysis



Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECT

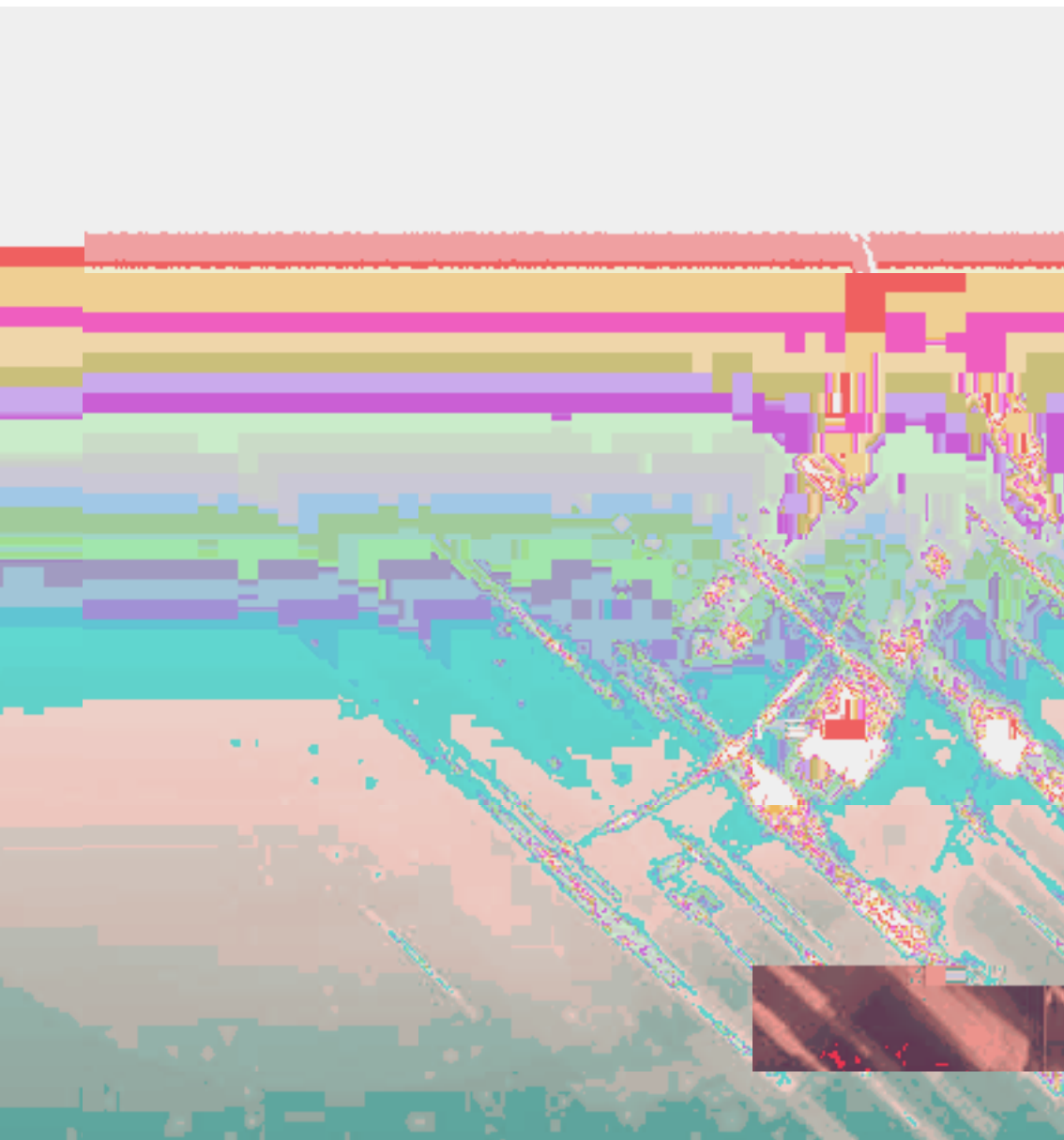
INTEGRATED BUSINESSES

As for the customs logistic monitoring business, the General Administration of Customs firstly proposed a plan for monitoring system and visualized logistic monitoring in the in the second phase of the planning and construction of Gold Gate Customs at the beginning of 2012. During the period under review, the Group successfully obtained a contract from Nanjing Customs for the Phase 1 construction of integrated intelligent center, mainly including 3D GIS map for Customs district, visualized management of customs checkpoint, visualized management of ships, 3D monitor for pile-up of containers and large display integrated system, which are expected to be completed in the second half of the year. Meanwhile, the Group also completed the systemic software construction project for the integrated intelligent center of Xin Sheng Wei and the work was highly recognized by Nanjing Customs. Currently, the project has been upgraded to a Customs district project of Nanjing Customs. During the period under review, the Group actively progressed every major project, of which final inspection of Dalian logistics monitoring platform has been completed and the development of intranet systems for Nanjing Stations has also completed, which were in the period of operation promotion.

As for expressway monitoring business, during the period under review, by virtue of its own competitive advantages, the Group won various project contracts, including electrical and mechanical engineering projects for Ningde–Wuyishen Expressway (Nanping section), Hunan – Ji Huai Expressway, and Longquan – Qingyuan Expressway (along the boundaries of Zhejiang province and Fujian province). During the period under review, the Group actively constructed many major projects, of which the electrical and mechanical engineering project of Sichuan Guangyuan-Nanchong project were basically completed, subject to trial operation; the construction of the southern part of Tianjin Haibin Thoroughfare has been completed, subject to inspection; and the final inspection of Hebei Cangzhou Coastal Expressway has been completed.

PRODUCT SUPPLY

During the period under review, “Reader RFS-2334”, our key product in intelligent traffic sector passed the examination on the model of radio transmission equipment by the State Radio Testing Center, representing that the Group’s RFID equipment has obtained a third-party verification and the performance of our products has been updated. Besides, “Reader RFS-261X series”, the fourth generation integrated products developed by the Group, was granted “2012 Gold Ants Award”, the highest award of State Golden Card Project engineering. The product is featured with small size and light weight and is convenient to install. It can be widely used in areas like motor vehicle access management, Electronic Toll Collections (ETC), personnel access



Management Discussion and Analysis

During the period under review, the Group actively participated in the supporting technology integration and application demonstration project for the Nanjing 2014 Summer Youth Olympic Games (“Nanjing Youth Olympics”) and was responsible for the R&D on “Critical Technology R&D and Application Demonstration of Intelligent Traffic System of Nanjing City”. Such demonstration project is regarded as a National Technology Support Project for the “Twelfth-Five-Year-Plan”, showing the supporting and leading function of technology in optimization of city functions and large event management and providing a strong technical support and creating an environment for Nanjing Youth Olympics. As for intelligent transportation science and technology business, the Group launched various public service platforms for the public, including a web portal, “Traffic Online” and an end mobile software, “Zhi Xing 365”, providing comprehensive intelligent traffic information enquiry services through the Internet, TV and mobile phone.

During the period under review, the Group further carried out R&D on a series of IOT business projects, including the development project of the application of CCS (based on PaaS (Platform-as-a-Service) platform), R&D on cloud storage, visual-based multi-lane vehicle identification system product and electronic lock product.

PROSPECT

For the second half of the year, the Group will lead and coordinate the planning and construction of IOT examination center, start the development of customs IOT application platform and commence the construction of intelligent control center of Nanjing checkpoint. As for expressway monitoring business, the Group will establish a marketing system based on major projects. By virtue of the completed projects, the Group will further increase its market share and expand its market coverage radiating from core business regions, such as Guangdong, Inner Mongolia, Heibei and Sichun.

For the second half of the year, the Group will further develop the professional label applying to various industries and facilitate the technological innovation on reader, focus on the improvement of information service platform, promptly understand the feedback of related information and complete the function upgrade process and application optimization. Meanwhile, the Group will continue to set up supply chain services network and through integrating synergic procurement and logistic and applying RFID technology to third-party logistics, it will further increase the delivery efficiency in logistic and create room for sustainable development.

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 30 June 2012, 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.

SHARES DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as to the knowledge of the Directors, as at 30 June 2012, 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.

Other Information

Long position in Shares:

Name of Shareholders	Number of Shares	Nature of Interest	Approximate Percentage of the Registered Capital of the Company (%)
Nanjing Sample Technology Group Company Limited ("Sample Group") (Note 1)	65,720,000 Domestic Shares	Beneficial owner/corporate	29.33%
Jiangsu Ruihua Investment Holding Group Company Ltd. ("Jiangsu Ruihua")	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 (Note 2)	28,889,000 H Shares	Interest of controlled corporation	12.89%
Liu Yang (Note 2)	28,889,000 H Shares	Interest of controlled corporation	12.89%
Golden Meditech Holdings Limited (Note 3)	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%
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.

SHARE OPTION SCHEME

On 18 October 2011, the Board passed the resolution to terminate the execution of the share option scheme of the Company which was approved by the shareholders of the Company by way of resolution on 24 April 2004. The resolution was passed at the general meeting on 30 December 2011.

The Company has not granted any option under the share option scheme since the adoption of the scheme.

COMPETING BUSINESS AND CONFLICTS OF INTERESTS

None of the Directors, management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the Listing Rules) is engaged in any business which competes or is likely to compete with the business of the Group, and none of them has any other conflicts of interests with the Group.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The code of conduct for securities transactions by Directors adopted by the Company is on terms no less exacting than the required 1 Tsard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any circum 1 Tces that the Directors did not comply with the required 1 Tsards of dealings and the code of conduct for securities transactions by Directors throughout the six months ended 30 June 2012.

Other Information

AUDIT COMMITTEE

The Company established an audit committee on 27 August 2003 with terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules. The primary duty of the audit committee is to supervise the financial reporting process and internal control of the Company.

The audit committee comprises of three independent non-executive Directors, namely Mr. Shum Shing Kei (the chairman of the audit committee), Mr. Li Haifeng and Mr. Xu Suming. The audit committee of the Company has reviewed the unaudited results of the Group for the Review Period and has provided advice and comments thereon.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the six months ended 30 June 2012, the Company has fully complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

During the Review Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

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

17 August 2012
Nanjing, the PRC

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.

* For identification purpose only