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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

FINANCIAL HIGHLIGHTS

The total operating income of the Group for the year ended 31 December 2013 (the "Period") amounted to approximately RMB787,767,967, representing a growth of approximately 6.79% as compared to the corresponding period of last year.

The net profit attributable to shareholders of the Company for the year ended 31 December 2013 was approximately RMB126,405,756, representing a decrease of approximately 24.73% as compared to corresponding period of last year.

The basic earnings per share for the year ended 31 December 2013 was approximately RMB0.564 (2012: RMB0.749).

The payment of a final dividend of RMB0.1 per share is recommended for the year ended 31 December 2013.

ANNUAL RESULTS

The board (the "Board") of Directors of Nanjing Sample Technology Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 together with the comparative figures for the year ended 31 December 2012 as follows:

(Unless otherwise stated, the financial information of the Company in this announcement was stated in Renminbi ("RMB") yuan)

Consolidated balance sheet

At 31 December 2013

ASSETS	Note	2013	2012
Current assets:			
Cash at bank and on hand		579,052,891.83	449,609,726.85
Notes receivable	3	3,300,000.00	160,000.00
Accounts receivable	3	343,612,285.44	278,576,202.98
Prepayments	3	96,418,562.53	48,417,202.13
Other receivables	3	92,493,603.10	147,128,312.82
Inventories		283,576,874.55	267,316,724.10
Total current assets		<u>1,398,454,217.45</u>	<u>1,191,208,168.88</u>
Non-current assets:			
Long-term equity investments		101,386,244.94	101,386,244.94
Fixed assets		197,473,466.90	172,765,938.02
Construction in progress		166,580,798.69	105,149,762.35
Construction materials		1,906,895.00	3,978,173.60
Intangible assets		21,828,164.51	24,364,756.07
3 Long-term deferred w .D()-75i 166,580,798.69 Conslassets			

Consolidated income statement*For the year ended 31 December 2013*

ITEMS	Note	2013	2012
I. Total operating income	6	787,767,966.59	737,689,688.95
II. Total operating cost		655,075,598.95	569,556,451.04
Including: Operating cost		523,328,683.75	453,605,654.15
Taxes and surcharges		11,207,510.01	18,738,322.80
Selling and distribution expenses		24,316,401.22	19,700,037.85
General and administrative expenses		75,788,482.51	56,672,710.29
Financial expenses	9	8,904,116.66	11,369,009.23
Asset impairment losses		11,530,404.80	9,470,716.72
Share of profit of associates and jointly controlled entities		–	4,324,931.80
Other investment income		–	10,225,428.74
III. Operating profit		132,692,367.64	182,683,598.45
Add: Non-operating income		19,106,603.52	24,559,920.80
Less: Non-operating expenses		175,016.57	403,687.36
IV. Total profit		151,623,954.59	206,839,831.89
Less: Income tax expenses	10	21,496,476.06	37,621,268.34
V. Net profit		130,127,478.53	169,218,563.55
Net profit attributable to the shareholders of the Company		126,405,756.32	167,927,630.71
Minority interests		3,721,722.21	1,290,932.84
VI. Other comprehensive income		(132,748.50)	(959.95)
Items to be re-categorized into profit and loss when satisfied the stipulated conditions in the subsequent accounting period		(132,748.50)	(959.95)
Converted difference in foreign currency statements		(132,748.50)	(959.95)
Items not re-categorized into profit and loss in the subsequent accounting Period		–	–
VII. Total comprehensive income		129,994,730.03	169,217,603.60
Total comprehensive income attributable to the shareholders of the Company		126,273,007.82	167,926,670.76
Total comprehensive income attributable to minority shareholders		3,721,722.21	1,290,932.84
VIII. Earnings per share:			
(1) Basic earnings per share	11	0.564	0.749
(2) Diluted earnings per share		0.564	0.749
IX. Dividend	12	44,820,000.00	22,410,000.00

Consolidated cash flow statement

For the year ended 31 December 2013

ITEMS	2013	2012
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	826,914,131.31	812,326,078.60
Refund of taxes and surcharges	9,546,287.67	10,842,839.22
Cash received relating to other operating activities	196,312,804.91	194,432,378.86
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Sub-total of cash inflows from operating activities	1,032,773,223.89	1,017,601,296.68
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Cash paid for goods and services	661,015,700.91	501,429,917.72
Cash paid to and on behalf of employees	41,544,671.79	41,312,338.98
Payments of tax charges	70,288,459.26	88,152,255.78
Cash paid relating to other operating activities	207,973,906.15	209,093,581.52
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Sub-total of cash outflows from operating activities	980,822,738.11	839,988,094.00
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contribution scheme refers to the retirement benefit plan in which the Group would no longer undertake further payment responsibility after the payment of fixed charges to an independent fund; while the defined benefit scheme refers to the retirement benefit plan other than the defined contribution scheme. During the accounting period when the staff provides service, the enterprise shall calculate the amount payable according to the defined contribution scheme and confirmed the liabilities, and the liabilities would be calculated into current profits and loss or assets. In respect of the defined benefit scheme, the Group calculated the responsibilities generated from the defined contribution scheme using the projected unit credit method and appropriate actuarial assumptions, and attributed the generated welfare responsibilities to the service period of the staff pursuant to the formula determined on basis of the defined benefit scheme, and calculated it into the current profit and loss, while the changes generated from the re-calculation of the net liabilities or net assets of the defined contribution scheme would be included in the other comprehensive income. In addition, the standards also regulate the enterprise provided employees short-term remuneration and other long-term employee benefits.

(2) “Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements” (Revised)

“Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements” (Revised) further standardizes the presentation of its financial statements. In addition, the standard requires the presentation of other comprehensive income in the income statement should be divided into two categories: (1) items that are not to be re-categorized into profit and loss; (2) items to be re-categorized into profit and loss when stipulated conditions are satisfied in the subsequent accounting period.

(3) “Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement”

“Enterprise Accounting Standards No. 39 – Fair Value Measurement” establishes the measurement of fair value and the disclosure guidance of fair value measurement. The standards defines that the fair value is the price that will be received when selling an asset or the price to be paid to transfer a liability in an orderly transaction between market participants on the date of measurement. The disclosure requirements for fair value measurement under the standards are more extensive.

(4) “Accounting Standards for Business Enterprises No. 40 – Joint Arrangements”

“Accounting Standards for Business Enterprises No. 40 – Joint Arrangements”, standardizes the classification and accounting treatments for the joint arrangement that jointly controlled by two parties or above. According to the structure of the joint venture arrangements, legal form, the terms of the contract as agreed between the parties and other relevant facts and circumstances, joint arrangement classified as joint operations and joint ventures. Joint operation refers the joint arrangement which the joint venture parties entitled to the underlying assets of the relevant arrangement and assumed liabilities of the joint arrangements. Joint venture refers the joint arrangement which the joint venture party only entitled to the right of the net assets of the arrangements. The initial recognition and subsequent accounting treatment for joint ventures and joint operations are different. Investments in joint ventures are accounted for by the equity method. The interests in joint operations shall be recognized by the joint venture parties to its assets (including its attributable share of any jointly held assets), its liabilities (including its attributable share of any liabilities jointly incurred), its revenue (including its attributable share of income generated from any sale of joint operations) and its expenses (including its attributable share of any expenses jointly incurred). The joint venture parties shall recognize the assets and liabilities and revenues, costs and expenses for their interest in the joint operations in accordance with applicable standards.

(5) “Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements” (Revised)

Pursuant to the provisions of “Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements” (Revised), the scope of the Group’s consolidated financial statements as consolidated by the Group would still be based on control. The standard to determine control with three elements: (a) power over the investee; (b) undertake or enjoy their exposure to variable returns risks or return rights; and (c) the ability to affect the

amount of returns by using its power over the investee. This amendment included a wide range of guidance for complex situations.

The management considered that the adoption of the above-mentioned standards will not have a material impact on the Group's financial statements. These financial statements have been presented and disclosed in accordance with the above-mentioned standards.

On 17 January 2014, the Ministry of Finance issued "Accounting Standards for Business Enterprises Interpretation No. 6" (《企業會計準則解釋第6號》) ("the Interpretation"), which had taken effect since the publishing date. The directors of the Company considered that the effectiveness of this Interpretation had no material effect on the financial situations and operation performance of the Group.

3. TRADE AND OTHER RECEIVABLES

	2013	2012
Accounts receivable	379,858,441.12	300,274,605.67
Less: Provision for doubtful and bad debts for accounts receivables	36,246,155.68	21,698,402.69
Notes receivable	3,300,000.00	160,000.00
Prepayments	96,418,562.53	48,417,202.13
Other receivables	92,890,751.35	150,587,250.24
Less: Provision for doubtful and bad debts for other receivables	397,148.25	3,458,937.42
Total	<u>535,824,451.07</u>	<u>474,281,717.93</u>

The aging analysis of accounts receivable

Types	2013		2012	
	Closing balance	Provision for bad debts	Closing balance	Provision for bad debts
Within 1 year (including one year)	217,602,559.78	6,599,146.82	187,709,825.96	5,131,178.99
1 to 2 years	99,733,090.85	6,422,592.93	99,715,135.37	7,569,296.27
2 to 3 years	55,933,217.53	16,712,772.07	4,895,229.51	1,417,629.70
Over 3 years	6,589,572.96	6,511,643.86	7,954,414.83	7,580,297.73
Total	<u>379,858,441.12</u>	<u>36,246,155.68</u>	<u>300,274,605.67</u>	<u>21,698,402.69</u>

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.

4. TRADE AND OTHER PAYABLES

	2013	2012
Accounts payables	316,606,125.09	269,751,512.77
Advances from customers	25,481,574.39	25,300,107.19
Other payables	25,303,089.24	28,046,279.25
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Total	367,390,788.72	323,097,899.21
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Age analysis of trade payables

	2013	2012
Within 1 year	249,779,374.06	210,953,841.34
1 to 2 years	30,136,648.91	25,286,216.42
Over 2years	36,690,102.12	33,511,455.01
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Total	316,606,125.09	269,751,512.77
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5. UNDISTRIBUTED PROFITS

	2013	2012
Undistributed profit at the beginning of the year	564,885,873.01	427,217,076.14
Add: Current net profit attributable to shareholders of the Company	126,405,756.32	167,927,630.71
Less: Provision of statutory surplus reserves	4,255,035.85	7,848,833.84
Ordinary shares dividends payable	44,820,000.00	22,410,000.00
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Closing balance of undistributed profit	642,216,593.48	564,885,873.01
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The distribution of dividend on ordinary shares to shareholders of the Company was made according to the plan for distribution of profits after tax for 2012 approved at the annual general meeting of the Company held on 20 May 2013, namely a cash dividend of RMB0.2 per share to each shareholder, totaling RMB44,820,000, as calculated based on the Company's total issued share of 224,100,000 as at the end of 2012.

6. TOTAL OPERATING INCOME

Operating income represents the Group's principal operating income, including revenue received and receivable from system integration, intelligent terminal sales and service businesses.

(1) Operating income and operating cost

Items	2013	2012
Principal operating income	782,313,992.08	730,973,118.53
Other operating income	5,453,974.51	6,716,570.42
Total operating income	<u>787,767,966.59</u>	<u>737,689,688.95</u>
Principal operating cost	520,672,373.41	451,370,110.74
Other operating cost	2,656,310.34	2,235,543.41
Total operating cost	<u>523,328,683.75</u>	<u>453,605,654.15</u>

(2) Principal operations (by product)

Name of Products	2013		2012	
	Operating income	Operating cost	Operating income	Operating cost
System integration	577,906,131.29	407,172,888.03	594,895,931.67	401,935,672.34
Including: Expressway	509,768,572.80	368,495,536.74	485,488,602.52	339,938,920.74
Customs logistics	68,137,558.49	38,677,351.29	109,407,329.15	61,996,751.60
Intelligent terminal sales	138,472,466.30	93,322,367.23	79,578,171.57	39,578,044.30
Service	65,935,394.49	20,177,118.15	56,499,015.29	9,856,394.10
Total	<u>782,313,992.08</u>	<u>520,672,373.41</u>	<u>730,973,118.53</u>	<u>451,370,110.74</u>

7. 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 year is only derived from security 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.

8. GROSS PROFIT

	2013	2012
Operating income	787,767,966.59	737,689,688.95
Operating cost	523,328,683.75	453,605,654.15
Gross profit	<u>264,439,282.84</u>	<u>284,084,034.80</u>

9. FINANCIAL EXPENSES

Items	2013	2012
Interest expenses	13,413,168.19	16,879,928.45
Less: interest income	5,628,309.80	6,603,457.34
Exchange gain and loss	717,844.80	92,892.59
Others	401,413.47	

12. DIVIDENDS

Items	2013	2012
Final dividend proposed of RMB0.1 per share (2012: RMB0.2 per share)	<u>22,410,000.00</u>	<u>44,820,000.00</u>

The directors recommend the payment of a final dividend of RMB0.1 per share (2012: RMB0.2 per share) for the year ended 31 December 2013 on 21 March 2014.

The final dividend proposed after the end of reporting period has not been recognised as a liability at the end of reporting period and is subject to approval by the shareholders at the annual general meeting.

Items	2013	2012
Final dividend in respect of the previous year, approved and paid during the year	<u>44,820,000.00</u>	<u>22,410,000.00</u>
Total	<u>44,820,000.00</u>	<u>22,410,000.00</u>

13. NET CURRENT ASSETS

	2013	2012
Current assets	1,398,454,217.45	1,191,208,168.88
Less: current liabilities	<u>744,654,291.73</u>	<u>542,777,496.58</u>
Net current assets	<u>653,799,925.72</u>	<u>648,430,672.30</u>

14. TOTAL ASSETS LESS CURRENT LIABILITIES

	2013	2012
Total assets	1,901,864,090.80	1,606,201,373.30
Less: current liabilities	<u>744,654,291.73</u>	<u>542,777,496.58</u>
Total assets less current liabilities	<u>1,157,209,799.07</u>	<u>1,063,423,876.72</u>

15. CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not have any material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Total Operating Income

Total operating income of the Group for the year ended 31 December 2013 was approximately RMB787,767,967, representing an increase of approximately 6.79% over last year. The increase was mainly due to the rapid growth of intelligent terminal sales over last year.

Gross Profit

Gross profit margin of the Group for the year ended 31 December 2013 was approximately 33.6%, representing a decrease of approximately 4.9% over last year. The decrease was mainly due to the significant decrease of gross profit of intelligent terminal sales business.

Selling and Distribution Costs

Selling and distribution costs of the Group for the year ended 31 December 2013 was approximately RMB24,316,401, representing an increase of approximately 23.4% over last year. The increase was mainly attributable to the active exploration of new market by the Group during the Period.

General and Administrative Expenses

General and administrative expenses of the Group for the year ended 31 December 2013 was approximately RMB75,788,483, representing an increase of approximately 33.7% over last year. The increase was mainly attributable to the increase in investment on research and development during the Period.

Net Profit attributable to shareholders of the Company

For the year ended 31 December 2013, the Group recorded a net profit attributable to the shareholders of the Company of approximately RMB126,405,756, representing a decrease of 24.7% over last year. The decrease was mainly attributable to the increase in research and development cost during the Period and the absence of one-off investment income from the disposal of long term equity investment in 2012.

Construction in progress

At 31 December 2013, the Group's construction in progress amounted to RMB166,580,799 which recorded a substantial increase as compared with that of the same period last year. The increase was mainly due to the Company is constructing a research and development office building.

FINANCIAL RESOURCES AND LIQUIDITY

For the year ended 31 December 2013, the equity of the Group's shareholders was approximately RMB1,008,320,707. Current assets were approximately RMB1,398,454,218, comprising cash and bank balances of approximately RMB579,052,892. Non-current liabilities were approximately RMB100,149,514. Current liabilities were approximately RMB744,654,292, mainly comprising trade and other payables and advances from customers, short-term borrowings and tax payable. As at 31 December 2013, net assets per share of the Group was approximately RMB4.5 (31 December 2012: RMB4.1). The short-term borrowings of the Group were RMB285,000,000.

PLEDGE OF ASSETS

As at 31 December 2013, bank deposits of RMB50,739,426 were pledged to the bank for projects in progress (2012: RMB60,385,498).

GEARING RATIO

For the year ended 31 December 2013, gearing ratio (being bank loan and long-term loan less cash and cash equivalents divided by equity) of the Group was approximately zero (2012: zero). This was attributable to the sufficient cash and cash equivalents of the Group for the repayment of bank loans.

FOREIGN CURRENCY EXPOSURE

Since the Group mainly conducts its business in the PRC and most of the sales and purchases of the Group were denominated in RMB, the Group's operating results were not exposed to any foreign currency risk.

SUBSTANTIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENT

The Group did not have any other material acquisition and disposal and material investment during the period under review.

CAPITAL COMMITMENT

As at 31 December 2013, the Group did not have any material capital commitment.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

During the period under review the Group won the maintenance service project for the Intelligence Customs system in the east inspection area of Xiamen Haicang Bonded Port Gate Project, which marked the formation of a solid chain from project establishment, construction, operation and maintenance of our logistics and customs business, gaining trust and reputation from customers. Meanwhile, the Group actively research new products in logistics and customs, where monitoring, operation and maintenance platform of customs and logistics monitoring platform 2.0 has completed and commercialized. During the

During the period under review, the Group launched various customised services for standardized information platform aiming at enhance customers' experience and serialization of products. The Group launched innovative IOT products including smart containers, smart courier counter, e-stamps, and further enhanced the coverage of smart terminals with a view to efficiently respond to customers' needs with highly reliable system of information cloud platform. The Group also enhanced and improved

BUSINESS PROSPECTS

SALES AND MARKETING

Strategic business

In 2014, the Group is committed in application of IOT technology in import and export logistics to establish a highly efficient integrated application service fulfilling efficient regulation of customs and efficient operation of corporation, so as to enhance customers satisfaction, establish ourselves as a quality service brand for the industry and to become a branded supplier of quality services. In 2014, the Group will actively establish the operation and maintenance system and IT platform for customs and improve the electronic lock pilot projects in customs. We will focus on the progress of phase II of Jin Guan project, participate in visualized logistics facilities and implementation of regulations control in custom area. The Group will also construct a cooperation project with Nanjing custom and Shanghai custom with regards to the operation of electronic locks, and establish and promote the SaaS general cargo platform.

In 2014, the Group will continue establishing the mechanical and electrical system for expressways and customs logistics items. We seek to increase our market share by enhancing clients' satisfaction, facilitate adjustment in business structure by improving the approach in handling projects, and ensure the healthy development of our operation by strengthening the management on operating liquidity. The Group will give priority to marketing, strengthen business expansion, focus on targeted regions and areas with higher comprehensive competitiveness, attach importance to strategic cooperation in the industry to gain market share in a quick manner and expand channels of obtaining projects for higher profit margin thereof. In 2014, the Group will maintain a steady business in traditional mechanical and electrical circuit integration on highways, so as to expand business while maintaining the traditional market. We will introduce resources and capabilities through cooperation with the intention to explore and implement IT services in expressways, as well as to explore and implement smart city projects and overseas expansion.

In 2014, the Group will mainly operate in the investment, construction, operation and maintenance of intelligent urban transportation, based on which three types of innovative business will be developed, namely transportation operation service (e.g. vehicle operation), ETCP service and environmental service. While nurturing our innovative business, we will establish company for operation to help expand and strengthen such business. Meanwhile, the Group will promote intelligent transportation services in the entire province and actively engage in automobile e-card project in Xuzhou, intelligent transportation project in Xincheng of Hexi, Nanjing and project of smart traffic light network platform etc.

Information services

In 2014, the Group will dedicate itself in exploration of IOT industry. Through obtaining certification from the manufacturer, official certification, accreditation from third-party certification bodies and consumers judgments, we seek to establish a verification portal about product creditworthiness and third-party manufacturers. Meanwhile, the Group will commence the “third-party manufacturer tallying” operation targeted at cross-border e-commerce transactions. We provide one-stop tallying services and promote v2.0 of cloud-monitoring of customs assets. We aim to let the cross-border e-commerce transactions platform become a government approved professional third-party manufacturer servicing institution. We also seek to become a top designer, solution provider, operation platform establisher and integrated operation and maintenance service provider for cross-border e-commerce in Jiangsu and free-trade ports.

In 2014, the Group will consider satisfying end-user demand and exploring information resources as the direction of development for Cloud Biaoju. We will continue to enhance and improve our business models according to the market development trend. We will focus on enhancing customer satisfaction and continuously optimize platforms and products to improve users’ experiences. The Group will also further enhance our customer service system, develop mobile APPs for different platforms and create public account in Weixin to promote the use of mobile internet. In addition, we will continuously enhance our internet approach in obtaining information from terminals, applications and platforms.

Technology products

In 2014, the Group will tap on its internet marketing approach to reduce cost of sales and further enhance brand reputation and awareness. We will capitalize our current product advantage in import and export trades for enhancing marketing in overseas sales. Meanwhile, with the Group’s brand advantage, we will focus on demand analysis of high-end customers, integration of quality supplier OEM, integrated testing on high standard products to provide full range of quality IOT products for customers. We will strengthen our cooperation with enterprises, educational institutions and scientific research institution to conduct product research according to customers’ new demand so as to enhance their confidence in our products and further enhance our brand awareness in the industry. In the application of industry projects, we will cooperate with customers on certain influential pilot projects in terms of R&D and testing to further increase our influence in the industry.

Proposed Issue of A Shares

On 18 October 2011, the Company announced that the Company will apply to the relevant regulatory departments in PRC in accordance with the PRC laws and regulations, and subject to other regulatory

AUDIT COMMITTEE

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the financial statements, the Group did not commit any future plan for material investment or capital assets.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 of the Listing Rules. Having made specific enquiry with all Directors, the Directors have complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 December 2013.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

Final Dividend

The Board resolved to recommend to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 28 May 2014 ("2014 AGM") a final dividend of RMB0.1 per share to be paid on or about 28 August 2014 to those shareholders whose names appear on the register of members of the Company on 12 June 2014.

Closure of Register of Members

For determining the identity of the shareholders to attend and vote at the 2014 AGM, the register of members of the Company will be closed from 28 April 2014 to 28 May 2014 (both days inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2014 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 25 April 2014.

For determining the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from 5 June 2014 to 12 June 2014 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited for registration no later than 4:30 p.m. on 4 June 2014.

PUBLICATION OF ANNUAL REPORT

The 2013 annual report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at <http://www.sampletech.com.cn> in due course.

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

Nanjing, the PRC
21 March 2014

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. Geng Nai Fan and Mr. Shum Shing Kei.

* *For identification purpose only*