

NA DITED INTERIM RES LTS

The board (the “Board”) of Directors of Nanjing Sample Technology Company Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2016 together with the comparative figures of 2015 as follows:

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

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At 30 June 2016

ASSETS	Note	A 30 J 2016 (AA)	At 31 December 2015 (Audited)
C AA :			
Cash at bank and on hand		1,166,526,414.63	1,212,720,957.69
Notes receivable	8	20,000.00	430,000.00
Accounts receivable	8	456,336,241.19	405,045,579.64
Prepayments	8	134,401,801.91	102,561,214.68
Interest receivable		1,222,488.59	806,088.29
Other receivables	8	173,062,817.39	80,821,123.74
Inventories		570,668,573.29	539,754,737.11
Other current assets		131,680,601.98	156,802,978.14
		2,633,918,938.98	2,498,942,679.29
N D AA :			
Available-for-sale financial assets		45,120,000.00	44,520,000.00
Long-term equity investments		3,988,306.43	3,475,159.72
Investment property		211,022,900.00	211,022,900.00
Fixed assets		243,521,363.92	246,314,755.16
Construction in progress		25,726,852.88	25,322,742.02
Construction materials		3,711,228.67	2,911,916.51
Intangible assets		16,316,063.31	12,374,724.82
Long-term deferred expenses		11,584,510.54	12,365,667.87
Deferred income tax assets		23,805,899.33	23,895,454.79
Other non-current assets		120,000,000.00	120,000,000.00
		704,797,125.08	702,203,320.89
TOTAL ASSETS		3,338,716,064.06	3,201,146,000.18

For the six months ended 30 June 2016

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared in accordance with the China Accounting Standards for Business Enterprises, Information Disclosure Rule No. 15 of Public Offerings Company-Financial Reporting General Provisions (2014 Amendments) issued by CSRC and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance (“Hong Kong Companies Ordinance”).

The accounting policies and methods of computation used in the preparation of the unaudited interim financial statements are consistent with those adopted in the annual financial statements of the Company for the year ended 31 December 2015. During the reporting period, there was no change in accounting policies and accounting estimates. This interim result has not been audited by the auditor of the Company, and has been reviewed by the audit committee of the Company.

2. TOTAL OPERATING INCOME

Operating income represents the Group’s principal operating income, including revenue received and receivable from system integration, intelligent terminal sales, service, cross-border trade and service businesses.

(1) Operating income

I 7	S 7 2016 (RMB)	30 J 2015 (Unaudited)
Principal operating income	1,441,671,994.75	404,309,426.69
Other operating income	7,671,280.85	9,605,226.99
Total operating income	<u>1,449,343,275.60</u>	<u>413,914,653.68</u>
Principal operating cost	1,304,209,746.21	269,952,193.02
Other operating cost	869,546.90	1,581,543.91
Total operating cost	<u>1,305,079,293.11</u>	<u>271,533,736.93</u>

(2) Breakdown of operating income

N/A	S 7 2016 (RMB)	30 J 2016 (RMB)	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2015 (Unaudited)
	RMB	RMB	operating income	operating cost
System integration	389,120,863.57	301,568,669.27	299,323,741.21	209,183,486.85
Intelligent terminal sales	102,041,181.34	72,245,156.39	70,373,228.51	46,016,445.72
Service	39,150,146.51	24,877,594.57	34,612,456.97	14,752,260.45
Cross-border trade and service	911,359,803.33	905,518,325.98	-	-
Total	<u>1,441,671,994.75</u>	<u>1,304,209,746.21</u>	<u>404,309,426.69</u>	<u>269,952,193.02</u>

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 system integration, intelligent terminal sales, service, cross-border trade and service businesses. 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

I 7	S 7 2016 (RMB)	30 J 2015 (Unaudited)
Interest expenses	17,647,820.74	20,717,935.05
Less: interest income	6,893,030.08	5,605,595.82
Exchange gain or loss	(2,929,661.77)	35,230.30
Others	1,097,146.69	

On 6 July 2015, Jiangsu Ruifu Intelligent Tech. Co., Ltd., a subsidiary of the Group, 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), for an effective period of three years. 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 effective tax rate of enterprise income tax is 15% during the reporting period.

On 17 September, 2012, Nanjing City Intelligent Transportation Co., Ltd. a subsidiary of the Group, obtained the Software Enterprise Verification Certificate issued by the Jiangsu Economic and Information Commission (江蘇省經濟和信息化委員會) and was identified as software enterprise. According to the relevant provisions of the notice on a number of preferential policies on enterprise income tax by the Ministry of Finance, State Administration of Taxation, the software enterprises can enjoy 2-Year Free and 3-Year Half of enterprise income tax incentives. According to the notice issued by the tax authorities in-charge of the company, the company is exempted from enterprise income tax in 2012 and 2013. The effective tax rate of enterprise income tax of the Company for 2014, 2015, 2016 is 12.5%.

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 RMB72,787,144.81 (2015: RMB69,767,800.12) and weighted average number of issued ordinary shares of approximately 316,823,400 (2015: 301,369,500) during the period.

The amount of basic earnings per share is the same as the diluted earnings per share as there was no dilution during the periods ended 30 June 2016 and 2015.

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (2015: Nil).

8. TRADE AND OTHER RECEIVABLES

	At 30 June 2016 (Audited)	At 31 December 2015 (Audited)
Accounts receivable	502,999,812.56	453,196,963.88
Less: Provision for doubtful and bad debts for accounts receivables	46,663,571.37	48,151,384.24
Notes receivable	20,000.00	430,000.00
Prepayments	134,401,801.91	102,561,214.68
Other receivables	175,976,342.32	84,094,848.43
Less: Provision for doubtful and bad debts for other receivables	2,913,524.93	3,273,724.69
Total	<u>763,820,860.49</u>	<u>588,857,918.06</u>

Capital Structure

As at 30 June 2016, the total bank borrowings of the Group was RMB718,693,298.87 (At 31 December 2015: RMB674,835,000.00).

As at 30 June 2016, the registered and issued share capital of the Company was RMB316,823,400 which was divided into 91,800,000 H Shares and 225,023,400 Domestic Shares.

Pledge of Assets of the Group

As at 30 June 2016, the bank deposits of RMB25,054,483.78 (At 31 December 2015: RMB24,435,812.19) are pledged for projects bidding/projects in progress and banking facilities.

Employees

As at 30 June 2016, the Group has an aggregate of 499 employees (At 30 June 2015: 380 employees). During the Review Period, the staff costs (including Directors' remuneration) was RMB27,486,052.88 (corresponding period of 2015: RMB27,056,671.42).

The salary and bonus policy of the Group is principally determined by the performance of the individual employee.

Gearing Ratio

The gearing ratio (being bank loans less cash and cash equivalents divided by equity) of the Group as at 30 June 2016 was zero (At 31 December 2015: zero). This was attributable to the sufficient cash and cash equivalents of the Group for the repayment of bank loans.

Risk in Foreign Exchange

The revenue and expenses of the Group were denominated in Renminbi. The Directors consider that the Group's risk in foreign exchange is insignificant.

Substantial Acquisition and Disposal and Significant Investment

The Group did not have any other material acquisition and disposal and material investment during the Review Period.

Future Plans Relating to Material Investment or Capital Asset

As at the date of this announcement, the Group has not executed any agreement in respect of proposed acquisition and did not have any other future plan of material investment or capital asset.

Contingent Liabilities

As at 30 June 2016, the Group did not have any material contingent liabilities.

B BUSINESS REVIEW AND PROSPECTS

5.1

As for the expressway intelligent transportation business, the Group continuously consolidated the improvement of existing business and implemented delicacy management on every segment of the projects as well as developed new business projects. During the reporting period, the Group won bids of 11 projects such as the electrical and mechanical engineering project JD1 of reconstructing and expanding the Li Cheng (Ji Jin Jie) to Chang Zhi Expressway, Shanxi Province, the construction project of traffic signals control of He Tong Road, Lu Jiang County, Anhui Province, the electrical and mechanical engineering project E Contract of Chang Shen Expressway and Yong An Gong Chuan in Fujian Province, the engineering project of Gu Li in Nanjing City. Meanwhile, the Group planted the idea of intelligent transportation into every business segment and proactively explored more business opportunity in constructing intelligent service area along expressways to achieve breakthroughs in project management.

As for the city intelligent transportation business, the Group continued to expand its business in various

Meanwhile, the Group entered into the GACs consortium Agreement of Intelligent Transportation Industry

As for the cross border trade and service business, the Group introduced for the first time the integrated service platform, “Maohd”, for foreign trade during the fourth quarter of 2015. The platform leveraged on the experience of customs logistics of the Group, knowing the disadvantage of traditional foreign trade services issues, such as high intermediary fee, complicated procedure for clearance and slow tax refund, to provide foreign enterprise a fast and low cost service including clearance, settlement, tax refund and logistics by means of internet and internet-of-things. As such, the business grew rapidly during the reporting period.

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During the reporting period, the Group successfully introduced the intelligent driving training project, “You You Learn Driving APP”. Through establishing the standard “internet+intelligent driving training platform”, we innovated and upgraded the traditional driving training program.

During the reporting period, the group upgraded the intelligent car parking system of “Chao Xiang Ting” to version 2.0, an all-round upgrade to the front-end, platform, weixin public number and mobile APP, and linked the system to a number of key carparks in Nanjing, which demonstrated the city intelligent car parking project.

During the reporting period, the Group proactively expanded the “Green Travel” project, undertaking the construction and maintenance of the green travel channel of the APP “My Nanjing”, which accumulated certain scale of users and preliminarily explored the business promoting mode.

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During the reporting period, the Group proactively developed and promoted the supporting platform for the operation of SmartOSS intelligent city. The platform achieves real time collection and sharing of numerous data, performs standard operation and maintenance to different terminals, equipment and systems to fully demonstrate its edges of real-timeliness, high efficiency, stability, monitorability, maintainability, free from development and low cost. In order to provide data support to the data administrator, we help customers to collect, transmit, integrate and share data from numerous internet-of-things terminal, IT equipment or third party systems.

During the reporting period, the Group obtained approval for 6 patents, completed a number of acceptance inspection for the provincial technological achievements transformation projects, the provincial industry transformation (software) project, and the State “863 Plan” project. Meanwhile, we proactively promoted and established a number of government projects such as provincial prospective industrial academic research joint project, provincial policy guidance planning (international technology co-operation) project, provincial industry transformation fund project. We also participated in the “national internet-of-thing standard working group”.

During the reporting period, the Group completed preliminarily the research and development of Guo (Jun) Biao UHF readers and writers and commenced the preparation work for the inspection by third party on the consistency and functionality of national standard readers and writers.

In the second half of the year, as for the expressway intelligent transportation business, the Group will proactively expands market resources, focus on the four region, namely Jiangsu, Sichuan, Zhejiang and Shandong, seeks market potential and continue delicacy management on every segment of the projects to ensure projects-in-progress are commenced in order healthily. We will analyze the feasibility of the construction of intelligent service area of expressways to seek for the new growth point.

In the second half of the year, as for the city intelligent transportation business, the Group will uphold

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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.

C D S D T A D D D D

The code of conduct for securities transactions by Directors adopted by the Company is on terms no less exacting than the required standard 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 circumstances that the Directors did not comply with the required standards of dealings and the code of conduct for securities transactions by Directors throughout the six months ended 30 June 2016.

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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. Geng Nai Fan and Mr. Hu Hanhui. 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.

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For the six months ended 30 June 2016, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

P D A A , R 7 S A A D S D C 7 A A

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
N A A S A A T D C 7 A A L 7 *
S A M
Chairman

9 August 2016
Nanjing, the PRC

As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Chang Yong, Mr. Zhu Xiang; the non-executive Director is Mr. Ma Jun and the independent non-executive Directors are Mr. Shum Shing Kei, Mr. Geng Nai Fan and Mr. Hu Hanhui.

* For identification purpose only