

THE SHARE TRANSFER AGREEMENT

The Board is pleased to announce that on 25 August 2015, 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 19% equity interest in Zhong Jian Zhi Kang at the consideration of RMB75,680,000.

The Disposal

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

Date

25 August 2015

Parties

- (1) Vendor : The Company
- (2) Purchaser : Hong Shi International Health Industry Company Limited*(紅石國際健康產業有限公司)

The Purchaser is a company incorporated with limited liability in the PRC and whose principal businesses are (i) research and development and technical advisory of medical, food and health information technology; (ii) investment management and advisory; and (iii) business management advisory.

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 19% equity interest in Zhong Jian Zhi Kang, a company whose equity interest is owned as to 19% by the Company as at the date of this announcement and immediately before the Disposal.

Consideration

The consideration payable by the Purchaser for the Disposal Interest is RMB75,680,000, which was determined after arm's length negotiations between the Company and the Purchaser. The consideration is determined based on the net asset value of Zhong Jian Zhi Kang in the sum of RMB367,857,000 as at 31 December 2014 as shown in its audited consolidated financial statements.

Payment Terms

The consideration of RMB75,680,000 for the Disposal shall be satisfied in the following manner:–

- (a) RMB37,840,000, being the First Payment, shall be paid by the Purchaser in cash to the Company within fifteen (15) working days after the condition precedent to the Share Transfer Agreement is satisfied; and
- (b) the remaining balance of RMB37,840,000 shall be paid by the Purchaser in cash to the Company within three (3) calendar months after the deadline for making the First Payment or the day on which the First Payment is actually made (whichever is earlier).

Condition Precedent

Completion of the Disposal is conditional upon the passing of the resolution(s) by the Shareholders at the general meeting of the Company to approve the Disposal.

If the above condition has not been fulfilled within twelve (12) months after the day on which the Share Transfer Agreement was signed, the obligation of the parties under the Share Transfer Agreement shall cease and the Share Transfer Agreement shall be terminated. Neither party to the Share Transfer Agreement shall have the right to claim against the other party for any loss, cost, expense or compensation upon such termination.

Completion

Provided that the Purchaser has fulfilled its obligation of making the First Payment, the Company shall complete all the relevant registration procedures at the Administration for Industry and Commerce for the transfer of the Disposal Interest within twenty (20) working days after the condition precedent to the Share Transfer Agreement is satisfied.

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

GAIN ON THE DISPOSAL

Based on the difference between the Consideration of RMB75,680,000 and the Company's carrying value of investment in Zhong Jian Zhi Kang in the sum of RMB74,986,000 as at 31 December 2014, the Company expects to record an unaudited gain of approximately RMB694,000 for 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 promote the research and development of internet of things' ("IOT") core technology, focus on core business areas, provide system integrated service based on Big Data, cloud monitoring service, e-commerce trading platform service and ancillary financial services, build a healthy and vivid ecology in the industry chain for providing high quality life to the Group's customers.

INFORMATION ON ZHONG JIAN ZHI KANG

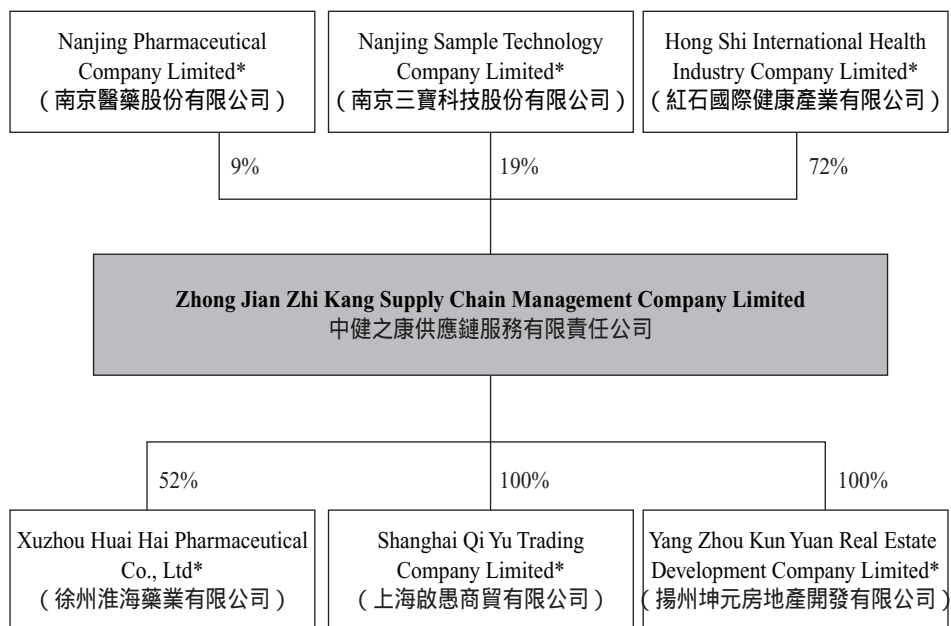
Overview

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 was a joint venture company established by the Company and Nanjing Pharmaceutical (which is an independent third party not connected with the Company) in 2010. The Company disposed of 31% equity interest (out of the then 50% equity interest held by the Company) in Zhong Jian Zhi Kang in 2013. As at the date of this announcement, the equity interest of Zhong Jian Zhi Kang is held as to: (i) 19% by the Company, (ii) 72% by the Purchaser and (iii) 9% by Nanjing Pharmaceutical.

Zhong Jian Zhi Kang is a domestic pharmaceutical distribution enterprise, which is mainly engaged in the pharmaceutical wholesale business within 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.

Group Structure

The group structure of Zhong Jian Zhi Kang and its subsidiaries as at the date of this announcement 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 Company will cease to have any equity interest in Zhong Jian Zhi Kang, and the equity interest in Zhong Jian Zhi Kang will be held as to: (i) 9% by Nanjing Pharmaceutical; and (ii) 91% by the Purchaser.

Financial Information

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

	As at 31 December	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	2,161,428	2,172,533
Net assets	367,857	367,576
Total revenue	2,066,511	2,821,106
Net profit/(loss) (before taxation)	543	(9,135)
Net profit/(loss) (after taxation)	281	(11,677)

REASONS FOR THE DISPOSAL

The Board is of the view that the return on investment of Zhong Jian Zhi Kang has never met the Company's expectation and that the Disposal is expected to enhance the cash position and thus the Company's focus on transportation and logistics, safety and profitability.

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.

A circular containing, amongst other things, further information in respect of the Disposal together with the notice of the EGM to be held for the Shareholders to approve the Share Transfer Agreement and the transactions contemplated thereby will be despatched to the Shareholders in accordance with the Listing Rules on or before 15 September 2015.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Nanjing Sample Technology Company Ltd*(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
“Consideration”	the sum of RMB75,680,000, being the total consideration for the Disposal Interest
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of 19% equity interest in Zhong Jian Zhi Kang by the Company to the Purchaser pursuant to the Share Transfer Agreement
“Disposal Interest”	the 19% equity interest in Zhong Jian Zhi Kang owned by the Company, being the subject matter under the Share Transfer Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of the Shareholders' considering and if thought fit, approving, among other things, the Share Transfer Agreement and the transactions contemplated thereby

“First Payment”	the payment of RMB37,840,000, as part of the Consideration, to be paid by the Purchaser in cash to the Company within fifteen (15) working days after the condition precedent to the Share Transfer Agreement is satisfied
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Hong Shi International Health Industry Company Limited*(紅石國際健康產業有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Share Transfer Agreement”	the share transfer agreement dated 25 August 2015 entered into between the Company and the Purchaser in relation to the Disposal
“Shareholders”	registered holder(s) of the Shares
“Shares”	share(s) of RMB1.00 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 company incorporated in the PRC with limited liability
“%”	percentage

By Order of the Board
Nanjing Sample Technology Company Limited*
Sha Min
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25 August 2015
 Nanjing, PRC

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