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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: 8287)

ANNOUNCEMENT

This announcement is made at the request of the Stock Exchange regarding the shareholding distribution of the Company.

The Board was recently informed by the Stock Exchange on the basis of information provided by the SFC, that there was a concentration of Shares in the hands of a small number of shareholders of the Company as at the close of business of 2 November 2006.

In view of the high concentration of H Shares in the hands of a small number of shareholders, the price of the H Shares could fluctuate substantially even with a small number of H Shares traded.

Shareholders and potential investors of the Company should exercise caution when dealing in the H Shares.

This announcement is made at the request of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") regarding the shareholding distribution of 南京三寶科技股份有限公司 (Nanjing Sample Technology Company Limited*) (the "Company").

The board (the "Board") of directors ("Directors") of the Company has recently been informed by the Stock Exchange that on the basis of the information provided by the Hong Kong Securities and Futures Commission ("SFC"), the SFC conducted a review of the shareholding distribution of the Company as at the close of business of 2 November 2006. Its analysis revealed that 25 entities held an aggregate of 19,322,000 H shares ("H Shares") of the Company representing approximately 94.72% of the total number of H Shares issued by the Company as at 2 November 2006. This implies that only approximately 5.28% of the total issued H Shares were held in the hands of other investors.

During the period between 1 August 2006 and 8 September 2006, the average daily turnover of the H Shares was 80,897 H Shares and the closing price of the H Shares hovered between HK\$11.00 and HK\$13.98. However, during the period from 11 September 2006 to 1 November 2006, the price of the H Shares surged sharply by 72.5% from the closing price of HK\$11.00 on 8 September 2006 (which is equivalent to the opening price on 11 September 2006) to the closing price of HK\$18.98 on 1 November 2006. Nevertheless, the average daily turnover of the H Shares for the same period decreased to 75,750 H Shares.

When the Company was first listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("GEM") in June 2004, the Company had reminded investors that the top 25 placees were then holding 95.10% of H Shares issued under its initial public offering. However, the high share concentration remains.

According to the list of disclosure of interests notices filed by substantial shareholders of the Company under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), it was reported that Atlantis Investment Management Ltd and Sino Katalytics Investment Corporation (through its wholly-owned subsidiary) held 3,600,000 and 1,050,000 H Shares respectively as at 2 November 2006, representing approximately 17.65% and 5.15% of the total number of H Shares issued by the Company.

The Company has reviewed the register of shareholders of the Company as at 2 November 2006 and the report from the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited ("CCASS Report") as at the close of business of 2 November 2006 and noted that other than HKSCC Nominees Limited, there was no registered shareholder which held 5% or more of the total number of H Shares issued by the Company as at the close of business of 2 November 2006. However, save as the two entities disclosed in the disclosure of interests, the Company is unable to identify the beneficial owners of the respective shareholdings of the aforesaid 25 entities through the register of shareholders and the CCASS report, which only shows the shareholdings of various stockbrokers and/or custodian accounts and shareholdings of investor participants with insignificant shareholdings.

According to the latest notifications received by the Company in respect of disclosure of interests under the SFO and having made all reasonable enquiries with the Directors and the connected persons (as defined in the Rule Governing the Listing of Securities on GEM ("GEM Listing Rules") of the Company, as at 24 November 2006, to the best of the Company's knowledge, the Company confirmed that the public float in respect of the H Shares is maintained.

In view of the high concentration of H Shares in the hands of a small number of shareholders, the price of the H Shares could fluctuate substantially even with a small number of H Shares traded.

Shareholders and potential investors of the Company should exercise caution when dealing in the H Shares.

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

Nanjing, the PRC
30 November 2006

As at the date hereof, the executive Directors are Mr. Sha Min (Chairman), Mr. Chang Yong, Mr. Guo Ya Jun, the non-executive Directors are Mr. Zhao Jing Cheng, Mr. Zhang Yin Qian, Mr. Guo Shi Ping, Mr. Zhu De Xiang; and the independent non-executive Directors are Mr. Zhang Zhan, Mr. Wang Wei and Mr. Lau Shek Yau John.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

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* for identification purpose only