

First Quarterly Report  
2012



**NANDA  
SOFTECH**  
南大苏富特科技

**JIANGSU NANDASOFT TECHNOLOGY COMPANY LIMITED**

**江蘇南大蘇富特科技股份有限公司**

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8045)

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONGKONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors of Jiangsu NandaSoft Technology Company Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Jiangsu NandaSoft Technology Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## HIGHLIGHTS

- Achieved a turnover of approximately RMB90,927,000 for the three months ended 31 March, 2012, representing an approximately 44.4% increase as compared with that of corresponding period in 2011.
- Accomplished an attributable net profit of approximately RMB2,624,000 for the three months ended 31 March, 2012.
- The Board does not recommend the payment of dividend for the three months ended 31 March, 2012.

## FIRST QUARTER RESULTS

The board of directors (“Board”) of Jiangsu NandaSoft Technology Company Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March, 2012.

For the three months ended 31 March, 2012, the unaudited turnover is approximately RMB90,927,000, representing an increase of approximately RMB27,940,000, or approximately 44.4% in turnover as compared with that of the same period in 2011. The unaudited attributable profit of the Group for three months ended 31 March, 2012 is approximately RMB2,624,000 representing a decrease of approximately RMB686,000, or approximately 20.7% in attributable profit as compared with that of the same period in 2011.

The unaudited results of the Group for the three months ended 31 March, 2012 together with the unaudited comparative figures for the corresponding period in 2011 are as follows:

## CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2012

		<b>For the three months ended 31 March,</b>	
	<i>Notes</i>	<b>2012 RMB</b>	<b>2011 RMB</b>
Revenue	2	<b>90,927,123</b>	62,987,525
Cost of sales		<b>(75,238,627)</b>	(51,734,530)
<b>Gross profit</b>		<b>15,688,496</b>	11,252,995
Other income and gains		<b>5,302,656</b>	3,597,322
Selling and distribution costs		<b>(6,062,787)</b>	(5,159,294)
Research and development costs		<b>(2,410,153)</b>	(755,855)
Administrative expenses		<b>(6,798,043)</b>	(5,154,070)
Finance Costs	3	<b>(2,829,052)</b>	(849,566)
<b>Profit before tax</b>		<b>2,891,117</b>	2,931,531
Income Tax Expense	4	<b>(34,651)</b>	(95,909)
<b>Profit for the period</b>		<b>2,856,466</b>	2,835,622
Attributable to:			
Owners of the Company		<b>2,623,519</b>	3,309,019
Non-controlling Interest		<b>232,947</b>	(473,397)
		<b>2,856,466</b>	2,835,622
<b>Earnings per share attributable to Ordinary Equity Holders of the Company</b>			
Basic		<b>0.0024</b>	0.0030
Diluted		<b>N/A</b>	N/A

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2012

	For the three months ended 31 March,	
	2012 RMB	2011 RMB
Profit for the period	2,856,466	2,835,622
Other Comprehensive Income		
Exchange differences on translation of foreign operation	(75,009)	20,210
Other comprehensive (loss)/income for the period, net of tax	(75,009)	20,210
Total comprehensive income for the period, net of tax	2,781,457	2,855,832
Total comprehensive income attributable to:		
Owners of the Company	2,548,510	3,329,229
Non-controlling interests	232,947	(473,397)
	2,781,457	2,855,832

## NOTES:

### 1. BASIS OF PRESENTATION

Jiangsu NandaSoft Technology Company Limited (the “Company”, together with its subsidiaries, the “Group”) was established in the People’s Republic of China (the “PRC”) under the Company Law of the PRC as a joint stock limited company on 30 December 1999. The Company’s predecessor, Jiangsu NandaSoft Limited Liability Company (the “Predecessor”) was established on 18 September 1998. By way of transformation of the Predecessor (the “Transformation”), the Company was established on 30 December 1999. Upon its establishment, the Company is engaged in the sales of computer hardware and equipment, and continues to develop, manufacture and market network security software, Internet application software, education software and business application software, and provides systems integration services which include the provision of information technology consulting.

The Company’s registered office in the PRC is located at NandaSoft Tower, 8 Jinyin Street, Shanghai Road, Nanjing, Jiangsu, the PRC. The Company’s registered office in Hong Kong is located at Room 08-09, 15/F., Trendy Centre, 682 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong.

The H shares of the Company have been listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 24 April 2001.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

### 2. REVENUE

Revenue, which is also the Group’s turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and the value of services rendered during the period.

	For the three months ended 31 March,	
	2012	2011
	RMB	RMB
Sale of goods:		
Computer hardware and software products	38,495,522	40,152,832
Trading of IT related products and equipment, and mobile phones	287,067	9,364,327
Pharmaceutical products	21,875,885	–
Rendering of system integration services	30,264,676	13,008,847
Provision of IT training services	3,973	461,519
	<b>90,927,123</b>	<b>62,987,525</b>

### 3. FINANCE COST

	For the three months ended 31 March,	
	2012	2011
	RMB	RMB
Interest on bank loans wholly repayable within five years	2,736,772	829,448
Bank charges	92,280	20,118
	<b>2,829,052</b>	<b>849,566</b>

### 4. TAX

Pursuant to an approval document issued by the Science and Technology Committee of Nanjing Municipality, the Company had been designated as a new and high technology entity and was subject to the concessionary tax rate of 15%.

As certain of the Company's subsidiaries are foreign investment enterprises, after obtaining authorisation from respective tax authorities, these subsidiaries are subject to a full corporate income tax exemption for the first two years and a 50% relief from the state corporate income tax rates of either 15% and 25 % in the succeeding three years (the "Tax Holiday"), commencing from 1 January 2008. Upon the expiry of the Tax Holiday, the usual corporate income tax rate of 25% is applicable to these PRC subsidiaries.

As one of the Company's subsidiaries is newly incorporated systems integration enterprise, after obtaining authorisation from respective tax authority, this subsidiary is subject to a full corporate income tax exemption for the first two years and a 50% relief from the state corporate income tax rates of 25% in the succeeding three years, commencing from 1 January 2011. Upon the expiry of the tax exemption, the usual corporate income tax rate of 25% is applicable to this PRC subsidiary.

No provision for Hong Kong profits tax has been provided as the Hong Kong subsidiaries did not generate any assessable profits arising in Hong Kong during the year (2011: No assessable profit arised).

	For the three months ended 31 March,	
	2012	2011
	RMB	RMB
The charge comprises:		
PRC income tax	34,651	95,909

## 5. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company of RMB2,624,000 (2011: RMB3,309,000) and on 1,104,000,000 (2011: 1,104,000,000) shares in issue during the period.

Diluted earnings per share is not presented for the three months ended 31 March, 2012 and 2011 as there were no potential events during the relevant periods.

## 6. RESERVES

Other than as disclosed below, there were no movements in reserves of the Group for the relevant periods in 2012 and 2011.

	Retained profits	
	2012 RMB	2011 RMB
As at 1st January,	127,012,140	74,035,937
Net profit for the period	2,623,519	3,309,019
As at 31 March,	129,635,659	77,344,956

## DIVIDEND

The Board does not recommend the payment of dividend for the period. (2011: Nil)

## FINANCIAL REVIEW

On August 2011, the Company entered into the Contract with Nanjing University whereby Nanjing University agreed to sell the 52% of the equity interests in Nanjing Nanda Pharmaceutical Company Limited (the "Nanda Pharmaceutical") and repaid the entrusted loan on behalf of Nanda Pharmaceutical which constituted a connected and disclosable transactions which is being approved by the Company's shareholders at EGM on November 2011, all the transferring procedures were completed at January 2012.

For the three months ended 31 March, 2012, the turnover of the Group was RMB90,927,000 representing an increase of approximately 44.4% when compared to the same period in the previous year. The increased in turnover was mainly due to the strategy of business diversification where acquisition of Nanda Pharmaceutical is one of the achievement for the growth on the turnover of the Group.



For the three months ended 31 March 2012, the net profit attributable to owners of the Company were approximately RMB2,624,000, representing a decrease of approximately 20.7% when compared to the same period in the previous year. During the period, the increasing of administrative expense and selling expense of the Group were in line with increasing in turnover.

Apart from the above-mentioned, the finance cost for the Group also increasing of approximately 233.0%, when compared with the same period in 2011, as a result of the increase in interest-bearing bank and other borrowings for the construction of the phase II of the buildings at Jiangdong Software City of Gulou District.

## **Business Review**

In April 2012, China published a five-year plan focusing on software and information technology services industry, the “Development Plan on Software and Information Technology Services Industry under the Twelve Five-year Plan”, for the first time, which reflects that China attached great importance to the software and information technology services industry in China and the determination to push forward its development.

In 2012, Jiangsu Nandasoft Technology also formulated the strategic development plan of the IT business of the Company, which is to take the internet of things and the cloud computing as the breakthrough, to actively develop the IT business based on software services (such as intelligent elderly care service) while promoting the exploration of the new growth point of software by model innovation.

## **Research and development of software**

During the Period, the Company continued to research and develop on electronic government procurement system based on android tablet PC. The system will achieve mobile proceedings over the original procurement mode, providing more personalized services to both the buyer and the supplier.

During the Period, to complement the intelligent elderly care project, the Company proceeded with the construction of the cloud-based healthcare platform, the development of electronic health record and electronic medical record system and the R&D of chronic diseases information management system of the community and relevant community health application system.

## Software Technology Services and System Integration

During the Period, the Company continued to leverage on its strengths in the information technology industry for expressways and won various projects for Highway Technology, including the toll systems of Suzhou Sujiahang Expressway (蘇州蘇嘉杭高速), Fenshui-Guanyun Expressway (汾灌高速技術服務), Su Huai Yan Expressway (宿淮鹽高速), Nanjing-Hangzhou Expressway (寧杭高速), Nanjing-Jingjiang-Yancheng Expressway (寧靖鹽高速), Lianyungang-Xuzhou Expressway (連徐高速), Yanjiang Expressway (沿江高速), GuangJing Xicheng Expressway (廣靖錫澄高速)、the toll systems of Xizhang Expressway (錫張高速收費系統) and Ning Su Xu Expressway (寧宿徐高速). This strengthened the Company's position in the information technology industry for expressway.

During the Period, Botong Technology, a subsidiary of the Company, undertook the e-government project of Yancheng Hi-Tech Development Zone. With the success of the demonstration project, Botong Technology can then participate in e-government construction of the whole city of Yancheng (districts and counties). Meanwhile, Botong Technology also secured the project of "platform system of information engineering and network safety education" for Nanjing University of Information Science and Technology.

## Application of the internet of things and medical informationalization

During the Period, the website "Mom and Dad are the best" under the Intelligent Elderly Care Project which Nangdasoft put much emphasis on was completed, and the development of the Iphone software of "Mom and Dad are the best" and the Android integrated software of "Mom and Dad are the best" were in progress.

Health Technology has reached consensus with the Elderly Office of Jiangsu for the deployment and comprehensive implementation of the platform of intelligent elderly and relevant smart terminal products as a pilot scheme in Gulou District of Nanjing. Besides, the promotion of elderly care, health products and services by the Company received good response, project coordination and negotiation were conducted with the People's Hospital of Jiangsu Province, Taihu Lake Cadre's Sanatorium, Nanjing Municipal Center for Public Health Emergency, the Elderly Apartment of Jiangsu and O-Young Health Management Company.

## **DEVELOPMENT AND NEW PROJECT EXPANSION OF NANDASOFT GROUP**

### **Development of Nandasoft Group**

During the Period, the enterprise comprehensive information technology management application software V1.0 of Hanwin Technology developed by Jiangsu Hanwin Technology Company Ltd. won the “Jin Hui” award. Hanwin leveraged upon its strengths in the project of weak current integration and developed the weak current related products for the monitoring of energy-saving. It is expected that it will become a new source of profit growth.

During the Period, Mailunsi Company undertook the project of upgrading the sales data management DP system and promotion and implementation of Wuhu Midea Household Appliance Sales Co., Ltd.

The Beijing Company undertook the service project of data management centre of State Statistical Bureau, which serves as a good beginning of the cooperation between the Beijing Company and State Statistical Bureau.

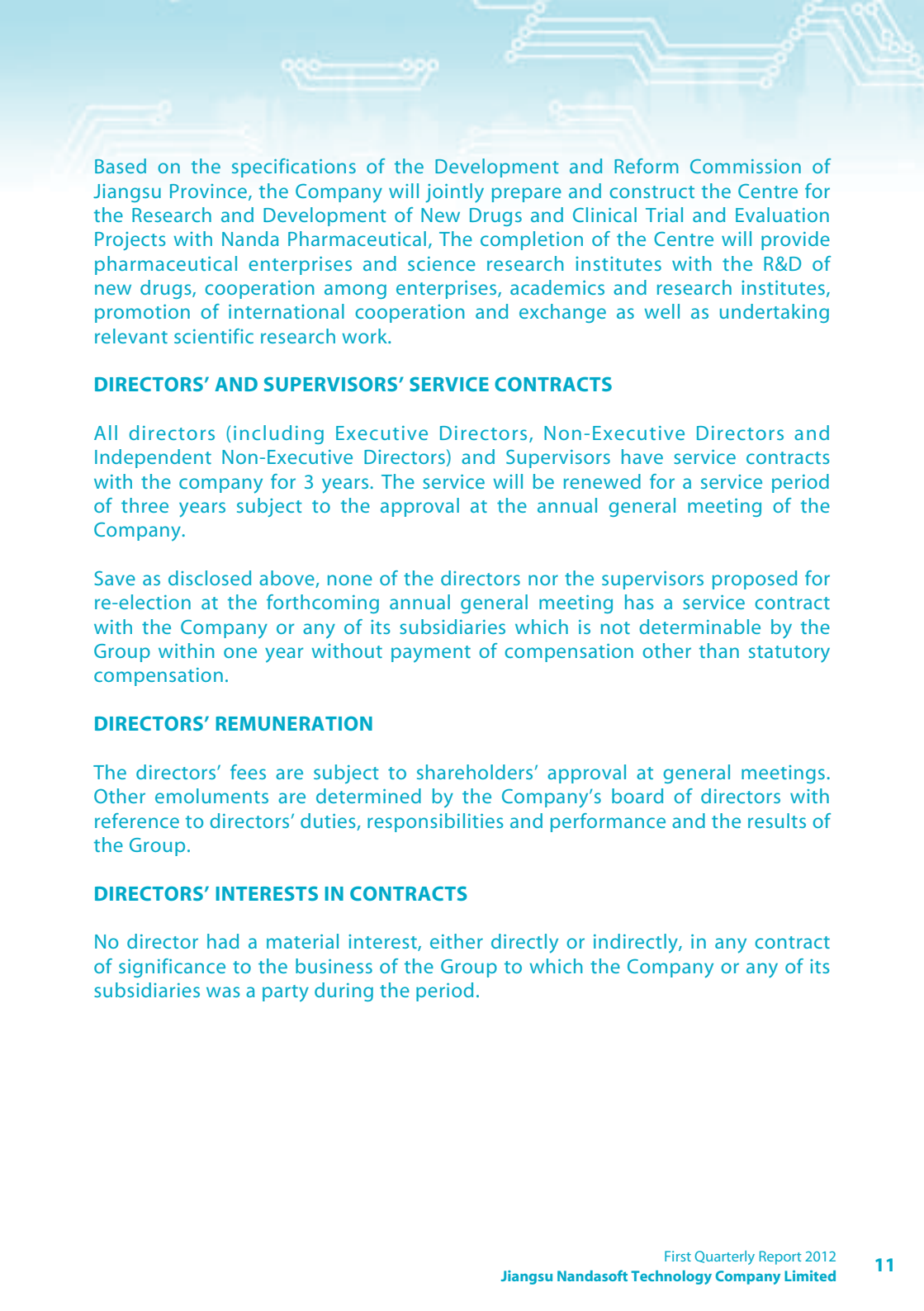
During the Period, adhering to the principles of high standard and features, Nanda Pharmaceutical Company Limited (“Nanda Pharmaceutical”) implemented the GMP transformation project for construction of a new workshop of Lyophilized powder for injection in Pukou Hi-tech Development Zone, a State-level development zone in Nanjing. The designed production capacity of the new plant will double the existing one.

### **Training for Outsourcing Service Staff**

During the Period, some 700 trainees from the Nanjing, Gaochun and Changshu training bases all achieved full employment. Meanwhile, the site and course construction of the Nangdasoft-Oracle high-end outsourcing service training base in cooperation with Oracle Corporation is in progress. Open enrollment is expected to begin in the second half of the year.

### **Prospects**

The intelligent elderly care project of NandaSoft will combine the advanced health and healthcare related smart terminals within the country and abroad for cooperation and integration. Initially we have communicated with innovation service companies from various countries, such as Israel, U.S.A., Japan and UK. In the second quarter, the Company will launch a number of new products and services based on the above-mentioned R&D and integration of new products and systems.



Based on the specifications of the Development and Reform Commission of Jiangsu Province, the Company will jointly prepare and construct the Centre for the Research and Development of New Drugs and Clinical Trial and Evaluation Projects with Nanda Pharmaceutical, The completion of the Centre will provide pharmaceutical enterprises and science research institutes with the R&D of new drugs, cooperation among enterprises, academics and research institutes, promotion of international cooperation and exchange as well as undertaking relevant scientific research work.

### **DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS**

All directors (including Executive Directors, Non-Executive Directors and Independent Non-Executive Directors) and Supervisors have service contracts with the company for 3 years. The service will be renewed for a service period of three years subject to the approval at the annual general meeting of the Company.

Save as disclosed above, none of the directors nor the supervisors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

### **DIRECTORS' REMUNERATION**

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

### **DIRECTORS' INTERESTS IN CONTRACTS**

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period.

## DIRECTORS', AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March, 2012, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part X V of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

### Long positions in ordinary shares of the Company:

Name of Interests	Type of Interest	Shares held directly or indirectly		Number of shares	Percentage of deemed beneficial interest in the Company's domestic share capital	Percentage of deemed beneficial interest in the Company's H share capital	Percentage of deemed beneficial interest in the Company's total share capital
		Directly	Indirectly		Company's interest in the domestic share capital	Company's H share capital	Company's total share capital
<b>Directors</b>							
Liu Winson Wing Sun	(Note 1)	-	-	558,000	-	0.13%	0.05%
Wong Wei Khin	(Note 2)	-	-	3,000,000	-	0.71%	0.27%

#### Notes:

- (1) These shares are directly held by the individual director.
- (2) These shares are directly held by the individual director and his sister.

Save as disclosed above, as at 31 March, 2012, none of the directors, chief executive or supervisors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEME

The Company has adopted a share option scheme. A summary of the principal terms and conditions of the share option scheme is set out in the section headed "Summary of the Terms of the Share Option Scheme" in Appendix VI of the prospectus issued by the Company dated 19 April 2001. Up to 31 March, 2012, no option has been granted pursuant to such share option scheme.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March, 2012, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Shareholder	Capacity	Number of domestic shares	Percentage of domestic shares	Number of H shares	Percentage of H shares	Number of domestic and H shares	Percentage of domestic and H shares
Nanjing University Asset Administration Company Limited (Note 1)	Beneficial Owner	127,848,097	18.72%	-	-	127,848,097	11.58%
Beijing Chang Tian Guosheng Investment Co., Ltd. ("Beijing Chang Tian"), formerly known as "Beijing MengHua Investment Co., Ltd" (Note 2)	Beneficial Owner	100,000,000	14.64%	-	-	100,000,000	9.06%
Shenyang Cheng Fa Commercial Software Company Limited	Beneficial Owner	85,000,000	12.45%	-	-	85,000,000	7.70%
Jiangsu Provincial Management Centre for Education Equipment and Self-supporting School ("Jiangsu Management Centre") (Note 1 & 3)	Interest of a controlled corporation	84,159,944	12.32%	-	-	84,159,944	7.62%

Shareholder	Capacity	Number of domestic shares	Percentage of domestic shares	Number of H shares	Percentage of H shares	Number of domestic and H shares	Percentage of domestic and H shares
Shanghai Shiyuan Network Technology Company Limited	Beneficial Owner	55,000,000	8.05%	-	-	55,000,000	4.98%
Guangzhou DingXiang Trade Co., Ltd ("GZ DingXiang")	Beneficial Owner	50,000,000	7.32%	-	-	50,000,000	4.53%
Jiangsu Provincial IT Industrial Investment Company Limited	Beneficial Owner	43,931,959	6.43%	-	-	43,931,959	3.98%
Jiangsu Co-Creation (Note 1 & 3)	Beneficial Owner	84,159,944	12.32%	-	-	84,159,944	7.62%
Leung Chiu Fun (Note 4)	Beneficial Owner	-	-	21,224,000	5.04%	21,224,000	1.92%
Yap Siew Chin (Note 5)	Beneficial Owner	-	-	35,000,000	8.31%	35,000,000	3.17%

**Notes:**

- (1) On 31 August 2010, 187,000,000 H shares (the "New H Shares") has been issued and allotted which comprise of (i) 170,000,000 New H Shares and (ii) 17,000,000 H Shares converted from the same number of Domestic Shares transferred from each of the State Shareholders on a pro rata basis to the National Social Security Fund Council of PRC (the "NSSF Council") (National Social Security Fund Council of PRC), which is in aggregate equivalent to 10% of New H Shares issued pursuant to the New Issue.
- (2) As at 18 November 2011, Beijing MengHua Investment Company Ltd has changed its name to Beijing Chang Tian Guosheng Investment Co., Ltd..
- (3) Jiangsu Management Centre is a professional unit entity established which changed its name from Jiangsu Educational Instrument Corporation on 1 July 2001. The interest of Jiangsu Management Centre comprises 84,159,944 domestic shares (100% deemed interests held by Jiangsu Management Centre representing approximately 7.62% of the Company's total issued share capital) held through Jiangsu Co-Creation, which is approximately 51% owned by Jiangsu Management Centre.
- (4) Ms. Leung directly held 21,224,000 H shares, representing approximately 5.04% of the Company's total issued H share capital and approximately 1.92% of the Company's total issued share capital.

As at 5 April 2012 and 11 April 2012, Ms Leung disposed of 5,352,000 H shares and acquired 372,000 H shares respectively, and she directly held 16,244,000 H shares representing approximately 3.86% of the Company's issued H share capital and 1.47% of the Company's total issued share capital.

- (5) These shares are also directly held by Low Hin Choong who is also the spouse of Yap Siew Chin.

Save as disclosed above, as at 31 March 2012, no person, other than the directors, chief executive and supervisor of the Company, whose interests are set out in the section "Directors', chief executive's and supervisors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## **DIRECTOR'S INTERESTS IN A COMPETING INTERESTS**

None of the Directors or the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

## **CORPORATE GOVERNANCE**

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry, all directors of the company has complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the three months ended 31 March 2012.

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive directors pursuant to Rule 5.09 of the GEM Listing Rules and all independent non-executive directors are considered to be independent.

The Company has complied with the provisions set out in Appendix 15 of the Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on the GEM. The Board has adopted the Corporate Governance Code, ensuring greater transparency and quality of disclosure as well as more effective risk control.



## AUDIT COMMITTEE

The Company established an audit committee on 8 December 2000, it comprises three Independent Non-Executive Directors, Dr Daxi Li, Ms Xie Hong and Mr Xie Man Lin. The primary duties of the audit committee are to review and to provide supervision over the financial reporting and internal control system of the Group. The audit committee has reviewed the first quarterly report for the year ended 31 March 2012 and concludes the meeting with agreement to the contents of the first quarterly report. The committee also oversees the audit process and performs other duties as assigned by the Board. Terms of reference of the Audit Committee which have been adopted by the Board and posted on the Company's website. All the members of our Audit Committee are Independent Non-Executive Directors.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the three months ended 31 March, 2012.

On behalf of the Board  
**Jiangsu Nandasoft Technology Company Limited**  
**Liu Jian (alias Liu Jian Bang)**  
*Chairman*

11 May, 2012, Nanjing, the PRC