

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors of Jiangsu NandaSoft Technology Company Limited 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 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 that the information contained in this report is accurate and complete in all material respects and not misleading and deceptive; and there are no other matters the omission of which would make this report or any statement herein misleading.

HIGHLIGHTS

- Achieved a turnover of approximately RMB262,202,965 for the nine months ended 30 September 2017, representing an approximately 21.27% decrease as compared with that of the corresponding period in 2016.
- Incurred a net loss of approximately RMB37,018,668 for the nine months ended 30 September 2017.
- The Board does not recommend the payment of dividend for the nine months ended 30 September 2017.

THIRD QUARTERLY RESULTS

The board of directors (“Board”) of Jiangsu NandaSoft Technology Company Limited (the “Company”) announced the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 30 September 2017.

For the three months and nine months ended 30 September 2017, the unaudited turnover of the Group were approximately RMB78,342,685 and RMB262,202,965 respectively, representing a decrease of approximately RMB15,712,356 and RMB70,834,890, or a decrease of approximately 16.71% and 21.27%, respectively as compared with those of the corresponding period in 2016.

The unaudited net loss of the Group for three months and nine months ended 30 September 2017 are approximately RMB12,909,274 and RMB37,018,668 respectively, and represents an increase in net loss of approximately RMB4,127,520 and approximately RMB2,808,724 respectively as compared with the corresponding period in 2016.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Periods for three months and nine months ended 30 September 2017

The unaudited results of the Group for the three months and nine months ended 30 September 2017, together with the unaudited comparative figures for the corresponding period in 2016 are as follows:

Items	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2017	2016	2017	2016
		RMB	RMB	RMB	RMB
I. Total operating revenue	2	78,342,685	94,055,041	262,202,965	333,037,855
Less: Operating costs	4	65,467,642	81,253,190	225,199,859	295,706,371
Tax and surcharges		360,279	55,866	1,827,616	1,451,656
Selling expenses		2,316,838	3,055,189	7,344,287	10,516,674
Administrative expenses		11,329,182	14,043,216	34,518,782	36,042,288
Finance expenses	3	10,780,747	6,182,459	27,428,095	21,777,471
Add: Profit arising from changes in fair value (loss stated with “-”)		-	-	-	-
Investment income (loss stated with “-”)		-	-	195,050	68,027
Including: Investment income from associates and joint ventures		-	-	-	-
Exchange income (loss stated with “-”)		-	-	-	-

Items	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2017	2016	2017	2016
		RMB	RMB	RMB	RMB
II. Operating profit (loss stated with “-”)		-11,912,003	-10,534,879	-33,920,624	-32,388,578
Add: Non-operating income		111,005	2,647,345	181,182	2,735,465
Including: gain on disposal of non-current assets		-	-	-	-
Less: Non-operating expenses		5,376	130,379	62,199	178,983
Including: Loss on disposal of non-current assets		-	-	-	-
III. Total profit (total loss stated with “-”)		-11,806,374	-8,017,913	-33,801,641	-29,832,096
Less: Income tax expenses	5	297,594	643,187	991,355	934,345
IV. Net profit (net loss stated with “-”)		-12,103,968	-8,661,100	-34,792,996	-30,766,441
Including: Net profit attributable to the owners of the Parent Company		-12,909,274	-8,781,754	-37,018,668	-34,209,944
Minority interests		805,306	120,654	2,225,672	3,443,503
V. Earnings per share					
(I) Basic earnings per share	6	-0.0092	-0.0063	-0.0264	-0.0244
(II) Diluted earnings per share		-0.0092	-0.0063	-0.0264	-0.0244
VI. Other comprehensive income		-	-	-	-

Items	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2017	2016	2017	2016
		RMB	RMB	RMB	RMB
VII. Total comprehensive income		-12,103,968	-8,661,100	-34,792,996	-30,766,441
Including: Total					
comprehensive income attributable to owners of the Parent Company		-12,909,274	-8,781,754	-37,018,668	-34,209,944
Total					
comprehensive income attributable to minority shareholders		805,306	120,654	2,225,672	3,443,503

Notes

1. COMPANY INFORMATION

Jiangsu NandaSoft Technology Company Limited (hereinafter referred to as the “Company” or the “Group” when the subsidiaries are included) is a stock limited liability company jointly established by Nanjing University Asset Administration Company Limited, Jiangsu Zongyi Co., Ltd., Work Union of Jiangsu Provincial Management Centre for Education Equipment and Self-supporting School, Jiangsu Co-Creation Education Development Company Limited, Jiangsu Provincial Management Centre for Education Equipment and Self-supporting School, Jiangsu Information Construction Investment Limited, and Jiangsu High-Ti Investment Group based on the entire conversion of Jiangsu NandaSoft Software Co., Ltd. on 30 December 1999.

As at 30 September 2017, total equity of the Company was RMB140.38 million, represented by the total number of 1,403.8 million shares with a par value of RMB0.1 per share, which include 982.8 million unlisted shares, representing 70.01% of total equity, and 421.0 million outstanding public H shares, representing 29.99% of total equity.

The registered address of the Company is: Block 01, No. 19 South Qingjiang Road, Gulou District, Nanjing. The Company’s registered office address in Hong Kong is changed to Unit 01-05, 46th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong and its legal representative is Zhu Yong Ning.

The Company’s business scope mainly includes: research and development, production, manufacture, sales and maintenance of computer software and hardware, network communications equipment, multi-media, electronic products, instruments and apparatuses and information industry related products; technical services, transfer, training and consultancy in relation to computer system integration, sales of office automatic equipment, proprietary operation and agency for imports and exports of commodities and technologies, research and development of medical materials and medical equipment products, provision of services in relation to building installation and information system integration (projects are subject to approval by laws, operating activities shall be carried out after obtaining the approval by related departments).

The Group is mainly engaged in the sales of computer hardware and software products, trading business of IT related products and equipment, provision of IT training services, develop, manufacture and marketing of network security software, internet application software, education software and business application software, and provision of system integration services, research and development of medicine and pharmaceutical equipment, provision of services in relation to building installation and information system integration etc.

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 year.

Items	For the three months ended 30 September		For the nine months ended 30 September	
	2017	2016	2017	2016
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Computer hardware and software products	50,136,423	81,822,013	167,880,404	245,039,372
Provision of system integration services	25,397,797	9,724,662	84,301,731	79,366,165
Other business	2,808,465	2,508,366	10,020,830	8,632,318
Total sales	78,342,685	94,055,041	262,202,965	333,037,855

3. FINANCE COST

Items	For the three months ended 30 September		For the nine months ended 30 September	
	2017	2016	2017	2016
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Interest on bank loans wholly repayable within five years	10,751,941	5,785,854	27,322,760	20,245,661
Bank charges	28,806	396,605	105,335	1,531,810
Total	10,780,747	6,182,459	27,428,095	21,777,471

Notes

4. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging:

Items	For the three months ended 30 September		For the nine months ended 30 September	
	2017 RMB	2016 RMB	2017 RMB	2016 RMB
Depreciation and amortization on:				
– Property, plant and equipment	1,927,791	2,664,662	5,548,744	6,231,818
Cost of sales	65,467,642	81,253,190	225,199,859	295,706,371

5. INCOME TAX EXPENSE

Taxes on profits assessable in the PRC have been calculated at 25%. Pursuant to an approval document issued by Science and Technology Committee of Nanjing Municipality, the Company and one of the Company's subsidiaries had been designated as a new and high technology entity and are subject to the concessionary tax rate of 15%.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits during the year.

Items	For the three months ended 30 September		For the six months ended 30 September	
	2017 RMB	2016 RMB	2017 RMB	2016 RMB
Tax charges comprise:				
PRC income tax	297,594	643,187	991,355	934,345

6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share is based on the loss attributable to holders of ordinary equity of the Company of approximately RMB12,909,274 (2016: RMB8,781,754) and RMB37,018,668 (2016: RMB34,209,944) for the three and nine months ended 30 September 2017 and the 1,403,800,000 (2016: 1,403,800,000) shares in issue during the period.

Diluted earnings per share is not presented for the three months and nine months ended 30 September 2017 and 2016 as there were no potential dilutive securities in existence during the relevant periods.

7. RESERVE

Items	Equity attributable to owners of the Parent Company						Total shareholder's equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Unallocated profit	Minority interests	
1 January 2016	124,000,000	93,873,332	82,280,708	19,962,462	-100,649,435	50,802,532	270,269,599
Issuance of shares	16,380,000	29,484,000	-	-	-	-	45,864,000
Changes for the current period	-	-	-	-	-34,209,944	3,443,503	-30,766,441
30 September 2016	140,380,000	123,357,332	82,280,708	19,962,462	-134,859,379	54,246,035	285,367,158
1 January 2017	140,380,000	121,718,414	84,239,841	19,962,462	-210,258,758	56,031,548	212,073,507
Changes for the current period	-	-	-	-	-37,018,668	2,225,672	-34,792,996
30 September 2017	140,380,000	121,718,414	84,239,841	19,962,462	-247,277,426	58,257,220	177,280,511

DIVIDEND

The Board does not recommend the payment of dividend for the period (2016: Nil).

FINANCIAL REVIEW

During the period, as mainly affected by the IT economic environment and the policies on tender, bidding and tax, the business expansion of Changtian Zhi Yuan Transportation Technology Company Limited, our subsidiary, was in engagement between old and new stage whereby old projects were newly started successively. There was a gradually drop in newly-commenced projects since new policy implementation (winning with the lowest bid) in industry bidding, changes in project operation mode, increase of BT mode, and the requirement of capital advances, which exerted higher pressure for the Company's operating capital. Also, with the increase in tax rate of the construction industry from 3% to 11% due to VAT tax reform, it reduces the total amount of revenue recognition. Jiangsu NandaSoft Computer Equipment Company Limited and Lenovo (Shanghai) Electronics Technology Co., Ltd. decreased their annual contracted inventory for tier four to six cities channel districts that incurred more severe losses. Both Jiangsu Province and Nanjing Government adopted e-commerce platform purchasing mode since 2017 and decreased the sourcing from suppliers through direct bidding; At the same time, the Group conducted strategic adjustment on its parent company and system integration company, and controlled the development of trade project businesses that have very low gross profit margin and require capital advances, hence, the comprehensive turnover of the Group for the three months and nine months ended 30 September 2017 were RMB78,342,685 and RMB262,202,965, representing a decrease of approximately 16.71% and 21.27% as compared to the same period in the previous year respectively.

During the period, owing to the increase in the provision of interests for the case of China Nuclear Huaxing (the "Huaxing") with the amount of RMB8,218,575 and borrowing interests of RMB15,101,748 by the Group, loss attributable to equity holders of the parent company of the Group for the three months and nine months ended 30 September 2017 were approximately RMB12,909,274 and RMB37,018,668 respectively, representing an increase of net loss of approximately 47.0% and 8.2% as compared to the same period in the previous year.

For China Nuclear Huaxing case, on 29 September 2017, the Company published the announcement relating to the litigation settlement. Due to the delay in the completion schedule of the Settlement Properties, which are still under construction, it is expected that delivery of the Settlement Properties together with the relevant title deeds to Huaxing can only take place on or before 30 November 2017. In the meantime, the interest amount, computed at the rate of 6% per annum on the outstanding principal amount of RMB182,635,000, will continue to accrue until the date of full repayment of the principal owed by the Company to Huaxing.

USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACING

The net proceeds received by the Company from the placing of 163,800,000 domestic shares of the Company at a price of RMB0.28 each on Jun 2016 (the "Share Placing"), after deducting issue expenses relating to the Share Placing paid by the Company, amounted to approximately RMB45,700,000.

The analysis of the planned and actual use of these proceeds is set out below:

Planned application of proceeds from Placing	Planned use of proceeds <i>RMB'000</i>	Actual use of proceeds up to 30 September 2017 <i>RMB'000</i>
1. for developing new data services businesssegment	7,620	7,620
2. for marketing of project on electronic documentation	11,430	8,810
3. for establishing cloud computing related technologies	11,430	7,030
4. as general working capital	15,220	15,220
	45,700	38,680

The unused balance of the proceeds is placed with reputable banks as the Group's bank deposits.

BUSINESS REVIEW

Innovation leads to advancement in science and technology, and “Internet +” is deepening its integration with industry resources. As a technology innovation enterprise, the Company followed the intelligent development trend of the big data era continuously, focused firmly on market development demand and explored and created aggressively the development model in IT technology research and development and service sectors under the guidance of the innovation-driven strategy.

During the period, whilst strengthening the market investigation and technology research and development in document management and data security sectors, the Company continued to give into full play its traditional advantages in the intelligent transportation sector, consolidated and implemented the remote medical project with Jiangsu Province Hospital and explored the “Internet + Hospital” development model. Also, the Company continued to push forward the full range cooperation between the online education segment and the Science and Education Town of Changzhou, and leveraged on “China’s university intellectual property trading platform” to facilitate the transformation of universities’ technological achievements towards the market proactively.

Research & Development of IT Technology

During the period, while continued to intensify its efforts in research, the Company pushed forward the R&D of V2.1 version of ERMS electronic file management system, developed new customers including the Archive of Nanjing College of Information Technology and the Information Center of Xi’an Jiaotong University and provided product functionality solution in connection with its demand in actual applications and updating. The R&D works of the Company’s cloud computing management system was also in progress, the virtual machine online migration technology under the virtual machine localization deployment system was currently under R&D, which aims at migrating online virtual machine from the terminal of one customer to another customer’s terminal. The cloud computing products of the Company, after being deployed in Nanhu Community Hospital of Jianye District, received positive feedbacks from users, and the Company has conducted communication and preparation for the subsequent unified procurement of desktop cloud for the community health service center of the whole Jianye District.

For remote medical service, Soft Medical Company continued to follow the intelligent medical development trend closely, and the chronic disease cloud terminal care and treatment integration project developed together with Jiangsu Province Hospital was operating officially. At the same time, the remote medical platform service contract with Baoying Peoples Hospital was entered into for a term of three years. Such platform is a remote information platform centered at Jiangsu Province Hospital, providing real-time surgical guidance to primary hospitals from the experts from the center hospital, thereby achieving the sharing of quality medical resources and commencing a new cooperation model between the Company and primary hospitals. Meanwhile, the Company expanded the cooperation with Suqian First Hospital for remote medical services and continued to develop broader cooperation opportunities with primary medical institutions. Besides, the specialized nurses online training platform developed by the Company was successfully launched to Apple Store, and the R&D team continued to fine-tune various online methods to accumulate valuable experience for subsequent products that are going to be launched to Apple Store.

During the period, the Company completed the submission of the intellectual property standard performance evaluation materials, obtained the reply of the second review opinion of one invention patent and applied for the review on the Nanjing Famous Brand Certificate of Service Business Products.

IT Services

For intelligent transportation, the Company continued to exert its traditional advantages in the intelligent transportation sector, took up the significant project of the electrical and mechanical construction of the Shiwei-Labudalin Section of Provincial Highway 201, and smoothly carried forward the implementation progress of several important projects that undertook in the previous period, such as the perceptual highway project for urban highway of Taizhou city and the comprehensive emergency command system project for the transportation of Nanjing.

For online education, Zhiya Company continued to cultivate the online education market sector and obtained the 9001 quality management certification, and explored the new business of the Office of Academic Affairs of Changzhou College of Information Technology. The Zhiya cloud desktop software is currently under research, and design of the online video courses are in progress. The Company plans to participate the shooting and post production of school micro class competition by the end of the year and cooperate with the relevant departments of the five schools in the Science and Education Town of Changzhou in developing the sharing video courses. The Company continued to push forward the unified establishment of Zhiya online cloud platform of the five schools in the Science and Education Town of Changzhou, laying the foundation for developing the business in the first half of 2018.

By relying on the authoritative data sources such as State Intellectual Property Office and various colleges and universities, the Company gave into full play the big data advantages of “China-University Intellectual Property Trading Platform” to solve the docking problems among universities’ technological achievements with enterprises, thus improved the transfer rate of universities’ technological achievements effectively. During the period, China-University Intellectual Property Trading Platform established the indexed processing system PMES1.0 and put into operation officially. The platform developed the intellectual property management system “Patentpal” (“專利寶”) and the intellectual property wealth management tool “Patent Bag” (“專利書包”), which will be officially launched into market in late November. Nanjing China-University Auction Co., Ltd. (南京中高拍賣有限公司), the platform established by China-University Intellectual Property Trading Platform, accomplished the construction of complete channel of universities’ achievements to marketization, including technical achievements auction, pricing and putting on shelf, and contractual pricing publicity. The trading platform is actively carrying out all-round cooperation with “China Technology Supply and Demand Online”.

FUTURE PROSPECTS

Looking forward, along with the continuous implementation of the national innovation-driven development strategy, under the “Innovation and Entrepreneurship” favorable environment, the Company will also continue to conduct an intensive research in market demand according to the policy direction, follow the technological development trend, rely on the technology and talent strengths of Nanjing University closely, consolidate and ascend the market positions in traditional strong business of the Company in terms of government, education, software development, medical care, energy, intelligent transportation, and finance.

At the same time, the Company will continue to research and develop and provide IT technology and service with innovative concepts, advanced technology and stable operation which meets the market demand, intensify its efforts in developing the businesses in emerging sectors including intelligent cities, internet medical service and internet hospitals, online education and intellectual property trading services, expand new business development opportunities and construct new development set up.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

On 30 September 2017, the interests and short positions of the directors, supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules"), were as follows:

Long positions in ordinary shares of the Company:

Name of Director	Type of Interest	Number of domestic shares	Number of H shares	Percentage of deemed beneficial interest in the Company's domestic share capital (Note 1)	Percentage of deemed beneficial interest in the Company's H share capital (Note 1)	Percentage of deemed beneficial interest in the Company's total share capital (Note 1)
Mr. Zhu Yong Ning	Interest of a controlled corporation	178,800,000 (Note 2)	-	18.19%	-	12.74%

Notes:

- (1) As at 30 September 2017, the Company had 982,800,000 domestic shares and 421,000,000 H shares in issue, totalling 1,403,800,000 shares.
- (2) Such 178,800,000 domestic shares were held by Jiangsu Keneng Electricity Technology Co., Ltd. ("Jiangsu Keneng Electricity"), and Mr. Zhu Yong Ning held 90% shareholding in Jiangsu Keneng Electricity. Pursuant to Part XV of the SFO, Mr. Zhu Yong Ning is deemed to be interested in the above shareholding of Jiangsu Keneng Electricity.

Save as disclosed above, as at 30 September 2017, none of the directors, supervisors or chief executives of the Company had 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 nine months ended 30 September 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director of the Company 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 which enabled the directors to acquire such rights in any other body corporate.

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

On 30 September 2017, the following interests and short positions were held by shareholders interested in 5% or more of the shares and underlying shares of the Company (excluding directors, supervisors and chief executives of the Company) which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

Shareholder	Nature	Number of domestic shares (Note 1)	Percentage of domestic shares	Number of H shares (Note 1)	Percentage of H shares	Number of domestic and H shares (Note 1)	Percentage of domestic and H shares
Nanjing Vegetables & Subsidiary Food Co., Ltd.	Beneficial Owner	263,661,016	26.83%	-	-	263,661,016	18.78%
Jiangsu Keneng Electricity Technology Co., Ltd.	Beneficial Owner	178,800,000	18.19%	-	-	178,800,000	12.74%
Nanjing University Asset Administration Company Limited	Beneficial Owner	127,848,097	13.01%	-	-	127,848,097	9.11%
Zhong Chuang BaoYing (Beijing) Investment Fund Management Co., Ltd.	Beneficial Owner	121,000,000	12.31%	-	-	121,000,000	8.62%
Jiangsu Co-Creation Education Developing Company Limited	Beneficial Owner	84,159,944	8.56%	-	-	84,159,944	6.00%
Shanghai Shiyuan Network Technology Company Limited	Beneficial Owner	55,000,000	5.60%	-	-	55,000,000	3.92%

Notes:

- (1) As at 30 September 2017, the Company had 982,800,000 domestic shares and 421,000,000 H shares in issue, totalling 1,403,800,000 shares.

Save as disclosed above, as at 30 September 2017, no person, other than the directors, supervisors and chief executive of the Company, whose interests are set out in the section “Directors’, Supervisors’ and chief executives’ interests and short positions in shares, underlying shares and debentures” 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.

COMPETING INTERESTS

None of the directors or controlling shareholders of the Company and their respective close 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.

SECURITIES TRANSACTIONS OF DIRECTORS AND SUPERVISORS

The Company has adopted a code of conduct regarding directors’ and supervisors’ 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 and supervisors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors and supervisors adopted by the Company throughout the nine months ended 30 September 2017.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “Corporate Governance Code”) contained in Appendix 15 of the GEM Listing Rules. The Board has adopted the Corporate Governance Code to ensure greater transparency and quality of disclosure as well as more effective risk control. The Company believes that adopting the highest corporate governance standards will bring long-term value, and finally will create the biggest return for shareholders and equity holders. The management is committed to maximizing the long-term interest for shareholders and carries out business with an attitude of honesty. Meanwhile, we bear the social responsibility and therefore, we have all along gained recognition from the market.

AUDIT COMMITTEE

The Company established an audit committee on 8 December 2000, it currently comprises four independent non-executive directors, namely, Dr. Li Daxi, Mr. Xie Man Lin, Ms. Xu Xiao Qin and Mr. Shi Zhong Hua. The primary duties of the audit committee are to review and to provide supervision over the financial reporting, risk management and internal control system of the Group. The audit committee has reviewed the third quarterly results announcement and third quarter report for the nine months ended 30 September 2017 and agreed to their contents.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the nine months ended 30 September 2017.

By Order of the Board
Jiangsu NandaSoft Technology Company Limited*
Zhu Yong Ning
Chairman

Nanjing, the PRC, 3 November 2017

* *For identification purpose only*