



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)

```
#mirror_db.select=0
#one = bpy.context.selected_objects[0]
#bpy.data.objects[one.name].select = 1
except:
    print("please select exactly two objects, the last object will be deleted")
```

OPERATOR CLASSES

mirror Tool

First
Quarterly
Report
2019

CHARACTERISTICS OF THE GEM (“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 GEM 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 RMB97,834,000 for the three months ended 31 March 2019.
- The net loss attributable to the owners of the Company is RMB5,661,000 for the three months ended 31 March 2019.
- The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2019.

FIRST QUARTERLY RESULTS

The board of directors (the “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 2019.

For the three months ended 31 March 2019, the unaudited turnover of the Group were approximately RMB97,834,000, representing an increase of approximately RMB4,784,000 or an increase of approximately 5.1% in turnover as compared with those of the corresponding period in 2018.

The unaudited net loss attributable to the owners of the Company for the three months ended 31 March 2019 were RMB5,661,000, representing a decrease of approximately RMB1,271,000 or a decrease of 18.3% as compared with the corresponding period in 2018.

The unaudited results of the Group for the three months ended 31 March 2019 together with the unaudited comparative figures for the corresponding period in 2018 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 31 March 2019

		For the period ended	
		31 March 2019	31 March 2018
	Notes	RMB'000	RMB'000
Revenue	2	97,834	93,050
Cost of sales		(84,799)	(79,716)
Gross profit		13,035	13,334
Other income		1,025	66
Selling and distribution expenses		(3,522)	(2,542)
Administrative expenses		(12,714)	(9,915)
Finance costs	3	(1,804)	(6,037)
Loss before income tax		(3,980)	(5,094)
Income tax expense	4	(273)	(230)
Loss for the period		(4,253)	(5,324)
Loss for the year attributable to:			
– Owners of the Company		(5,661)	(6,932)
– Non-controlling interests		1,408	1,608
		(4,253)	(5,324)
Loss per share	5		
– Basic and diluted (RMB cents)		(0.17)	(0.47)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2019

	For the three months ended 31 March	
	2019 RMB'000	2018 RMB'000
Loss for the period	(4,253)	(5,324)
Other Comprehensive Loss Exchange differences on translation of foreign operation	(293)	(1,396)
Total comprehensive loss for the period, net of tax	(4,546)	(6,720)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	(5,954)	(8,328)
Non-controlling interests	1,408	1,608
	(4,546)	(6,720)

1. CORPORATE INFORMATION

Jiangsu NandaSoft Technology Company Limited (the “Company”) was incorporated with limited liabilities in the People’s Republic of China (the “PRC”) on 18 September 1998. The Company’s shares have been listed on the GEM (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 24 April 2001.

The principal place of business and registered office of the Company and its subsidiaries (collectively, the “Group”) is located at SoftTech Innovation Park, No. 19 South Qingjiang Road, Nanjing, China. The Company’s registered office in Hong Kong is located at Rooms 01–05, 46/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Group is mainly engaged in the sales of computer hardware and software products, trading business of information technology related products and equipment, provision of information technology training services, developing, manufacturing and marketing of network security software, internet application software, education software and business application software, 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 and properties investments.

Notes

2. REVENUE

Revenue, which is also the Group's turnover, represents (a) the net invoiced value of goods sold, net of value-added tax and after allowances for returns and trade discounts; (b) the value of services rendered, net of value-added tax; and (c) gross rental income and properties management service income received and receivable from investment properties during the period.

	For the three months ended	
	31 March	
	2019	2018
	RMB'000	RMB'000
Computer hardware and software products	17,499	31,782
Provision of system integration services	76,645	57,561
Rental and property management income	3,690	3,691
Other business	—	16
	97,834	93,050

3. FINANCE COST

	For the three months ended	
	31 March	
	2019	2018
	RMB'000	RMB'000
Interest on bank loans	1,615	5,617
Expense on finance lease	189	420
	1,804	6,037

4. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated. No Hong Kong profits tax was provided for the period ended 31 March 2019 and 2018 as the Group did not have assessable profit arising or derived from Hong Kong during both years. Enterprise income tax arising from subsidiary operating in the PRC was calculated at either 15% or 25% (2018: 15% or 25%) of the estimated assessable profits of the subsidiaries during the year.

On 27 December 2017, the Company obtained a China High-Tech Enterprise Certificate which is valid for three years. The entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year obtaining the Hi-tech certificate. As a result, the Company was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2017.

	For the three months ended	
	31 March	
	2019	2018
	RMB'000	RMB'000
Tax charges comprise:		
PRC income tax	273	230

5. 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 RMB5,661,000 (2018: RMB6,932,00) for the three months ended 31 March 2019 and the 3,288,000,000 (2018: 1,488,000,000) shares in issue during the period.

Diluted earnings per share is not presented for the three months ended 31 March 2019 and 2018 as there were no potential dilutive securities in existence during the relevant periods.

Notes

6. MOVEMENTS OF THE EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the period ended 31 March 2019

	Equity attributable to owners of the Company							Non-controlling interests	Total Equity
	Share capital	Capital reserve	Revaluation reserve	Surplus reserve	Translation reserve	FVTOCI reserve	Accumulated losses	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018	148,800	129,469	81,862	20,020	2,285	-	(264,151)	118,285	168,953
Total comprehensive loss for the period	-	-	-	-	(1,396)	-	(6,931)	(8,327)	(6,719)
Transfer to surplus reserve	-	-	-	64	-	-	(64)	-	-
At 31 March 2018	148,800	129,469	81,862	20,084	889	-	(271,146)	109,958	162,234
At 1 January 2019	328,800	214,069	81,862	20,134	(547)	(2,574)	(323,409)	318,335	371,652
Total comprehensive loss for the period	-	-	-	-	(293)	-	(5,661)	(5,954)	(4,546)
At 31 March 2019	328,800	214,069	81,862	20,134	(840)	(2,574)	(329,070)	312,381	367,106

DIVIDEND

The Board does not recommend the payment of dividend for the period ended 31 March 2019 (2018: Nil).

FINANCIAL REVIEW

Owing to the year-on-year increase in the income recognised for the periodic settlement of work-in-progress projects of Jiangsu Changtian Zhiyuan Transportation Technology Company Limited, which is a holding subsidiary of the Company, the consolidated turnover of the Group for the three months ended 31 March 2019 was approximately RMB97,834,000, representing a slight increase of approximately RMB4,784,000 or approximately 5.1% as compared with the same period of last year.

As a result of the decrease in the Group's finance costs after settling the actual mediation amount to Nanjing Pengda Technology Development Co., Ltd. in relation to the project funds and interests owned by the Company to China Nuclear Industry Huaxing Construction Company Limited in last year, the Group recorded a loss for the period of approximately RMB4,253,000 for the three months ended 31 March 2019, which represents a decrease of 20.1% as compared with the same period of last year; and loss attributable to owners of the Company was approximately RMB5,661,000, which represents a decrease of approximately 18.3% as compared with the same period of last year.

BUSINESS REVIEW

In the first quarter, China's GDP grew by 6.4%, and the economy got off to a good start in general. The Company seized the development opportunity of "Internet+" to actively promote the expansion of various smart businesses, so as to lay a good foundation for the 2019 performance.

Intelligent Transportation

During the period, Jiangsu Changtian Zhiyuan Transportation Technology Company Limited ("Changtian Zhiyuan"), which is controlled by the Company, maintained its good business momentum. The Company expanded its new business with Jiangsu Provincial Transportation Engineering Construction Bureau by undertaking the tender section, XT-91, of the electromechanical engineering construction project of the southern and northern connection toll collection system of Wuxi-Nantong river passage highway, the total length of which is about 32 kilometers. Changtian Zhiyuan provided overall solutions covering supply, delivery, installation, testing and operation for such toll collection system project. While vigorously expanding its new business, Changtian Zhiyuan also steadily promoted the construction and maintenance of preliminary stage projects, so as to ensure their timely delivery and good maintenance.

Computer Hardware Sales and IT Service Business

During the period, as affected by the overall development of e-commerce, the hardware sales volume of Jiangsu NandaSoft Computer Equipment Co., Ltd. ("Computer Equipment"), which is controlled by the Company, recorded a decline. Computer Equipment company actively adjusted its business direction, invested in the research and development of intelligent IT service projects such as the integration of large screen system and cloud classrooms, and continued to explore high-quality enterprise customer resources.

Smart Education

During the period, Jiangsu Zhiya Online Education Technology Ltd. ("Zhiya Online"), which is controlled by the Company, continued to take online training courses development as its main operation direction, and conducted cooperation with the animation training base and automobile training base of the industrial center of Changzhou Science and Education City ("Science and Education City") to get an in-depth understanding of the actual needs of governments, enterprises as well as colleges and universities. During the period, Zhiya Online focused on automobile VR practical training courses, and actively promoted high-end online practical training courses for mold and electromechanical majors. By relying on the main functions of the practical training bases in the Science and Education City, Zhiya Online company actively constructed various model projects in the park and strived to build a demonstration base for practical training courses in higher vocational colleges.

Smart Medical Service

During the period, by taking remote medical services as the core of its business, Jiangsu NandaSoft Medical Technology Co., Ltd. ("Medical Technology"), which is the associated company, expanded its business into Liyang First People's Hospital and Qixia District Hospital (Xigang Branch), and incorporated them into the remote consultation comprehensive platform. Through close cooperation with many hospitals, the Medical Technology company improved its comprehensive operation capability in respect of large medical projects and enriched its business resources. At the same time, the Medical Technology company continued to detect and improve the "chronic disease cloud terminal care and treatment integration platform", customized family-based medical service modules for more patients and vigorously expanded the market of intelligent health examination services according to actual demand.

Intellectual Property Trading Platform of Chinese Universities and Colleges

The intellectual property trading platform of universities and colleges which is operated by an associated company, Nanjing Zhonggao Intellectual Property Co., Ltd., has been operating steadily. As of the end of the period, different colleges and universities opened more than 200 college stores through the "Patentpal" platform, and experts opened over 1,200 expert flagship stores through "Patent Bag". The platform has effectively connected the demands of enterprises for intellectual property rights and scientific and technological services on over 100 occasions, which mainly included high-tech enterprises, small and medium-sized technology-based enterprises, intellectual property agents, etc., to promote the effective transformation of scientific and technological achievements of colleges and universities to the market. At the same time, the Company actively continued the improvement of platform functions and promoted the sub-platform cooperation business in Hebei and Hunan.

PROSPECTS

The "Internet+" will lead the innovation-driven strategy to advance rapidly, and make the integration of industry resources become closer and more effective. As an "Internet+" platform-based enterprise with college background, we will continue to give play to the advantages of colleges and universities in scientific research, and keep exploring in the intelligent service sector as we always do.

We will continue to consolidate traditional business sectors, and increase efforts in exploration and innovation in the transportation, education, medical service and intellectual property trading segments, expand more abundant business resources, provide more intelligent solutions and strive to establish an intelligent platform-based benchmark enterprise.

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

On 31 March 2019, 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	820,783,735 (Note 2)	–	29.49%	–	24.96%

Notes:

- (1) As at 31 March 2019, the Company had 2,782,800,000 domestic shares and 505,200,000 H shares in issue, totalling 3,288,000,000 shares.
- (2) 808,800,000 domestic shares were owned by Jiangsu Keneng Electricity Technology Co., Ltd. ("Jiangsu Keneng Electricity") which Mr. Zhu Yong Ning held 90% ownership, and 11,983,735 shares were owned by Jiangsu Jintao Investment Holding Company Ltd. ("Jiangsu Jintao") which Mr. Zhu Yong Ning held 90% ownership Pursuant to Part XV of the SFO. Mr. Zhu Yong Ning is deemed to be interested in the above shareholdings of Jiangsu Keneng Electricity and Jiangsu Jintao.

Save as disclosed above, as at 31 March 2019, 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 three months ended 31 March 2019 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 31 March 2019, 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	Percentage of domestic shares (Note 1)	Number of H shares	Percentage of H shares (Note 1)	Number of domestic and H shares	Percentage of domestic and H shares (Note 1)
Jiangsu Keneng Electricity Technology Co., Ltd. (Note 2)	Beneficial Owner	808,800,000	29.06%	–	–	808,800,000	24.60%
Anhui Jiuxi Property Investment Co., Ltd (Note 4)	Beneficial Owner	577,592,975	20.76%	–	–	577,592,975	17.57%
Fuji Investment Company Limited (Note 3)	Beneficial Owner	450,000,000	16.17%	–	–	450,000,000	13.69%

Shareholder	Nature	Number of domestic shares	Percentage of domestic shares (Note 1)	Number of H shares	Percentage of H shares (Note 1)	Number of domestic and H shares	Percentage of domestic and H shares (Note 1)
Jiangsu Fuchang Electronic Business Company Limited	Beneficial owner	225,000,000	8.09%	-	-	225,000,000	6.84%
Jiangsu Yuchang Modern Agricultural Development Company Limited	Beneficial Owner	225,000,000	8.09%	-	-	225,000,000	6.84%
Oriental Petroleum (Yangtze) Limited (Note 3)	Beneficial Owner	-	-	84,200,000	16.67%	84,200,000	2.56%

Notes:

- (1) As at 31 March 2019, the Company had 982,800,000 domestic shares and 505,200,000 H shares in issue, totalling 3,288,000,000 shares.
- (2) 808,800,000 domestic shares were owned by Jiangsu Keneng Electricity Technology Co., Ltd. ("Jiangsu Keneng Electricity") which Mr. Zhu Yong Ning held 90% ownership. Pursuant to section XV of the SFO, Mr. Zhu Yong Ning was deemed as holding the above interest of shares.
- (3) Oriental Petroleum (Yangtze) Limited and Fuji Investment Company Limited were controlled by the same shareholder.
- (4) On 16 January 2019, Jiangsu Hightech Investment Group Company has transferred 43,931,959 domestic shares to Anhui Jiuxi Property Investment Co., Ltd and the transfer registration has been completed on 16 April 2019 in China Securities Registration Settlement Company Limited.

Save as disclosed above, as at 31 March 2019, 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 three months ended 31 March 2019.

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, save for the deviation from CG Code provision A.2.1. 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 three independent non-executive directors, namely 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 first quarterly results announcement and first quarter report for the three months ended 31 March 2019 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 three months ended 31 March 2019.

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

Nanjing, the PRC, 10 May 2019

* For identification purpose only