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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)

Interim Report
2021

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

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange 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 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 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 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 any statement herein or this report misleading.

HIGHLIGHTS

Achieved a turnover of approximately RMB261,406,000 for the six months ended 30 June 2021, representing an approximately 4.7% increase as compared with that of the corresponding period in 2020.

The net loss attributable to the owners of the Company is RMB7,381,000 for the six months ended 30 June 2021, representing an increase in loss of 50.5% as compared with the corresponding period in 2020.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021.

INTERIM 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 and six months ended 30 June 2021.

For the three months and six months ended 30 June 2021, the unaudited turnover of the Group were RMB140,027,000 and RMB261,406,000 respectively, representing an increase of approximately RMB22,977,000 and RMB11,619,000 or an increase of approximately 19.6% and 4.7% respectively in turnover as compared with those of the corresponding period in 2020.

The unaudited net loss attributable to the owners of the Company for the three months and six months ended 30 June 2021 were RMB4,389,000 and RMB7,381,000 respectively, representing an increase in net loss attributable to the owners of the Company of approximately RMB1,864,000 and RMB2,476,000 or an increase in loss of approximately 73.8% and 50.5% respectively as compared with the corresponding period.

The unaudited results of the Group for the three months and six months ended 30 June 2021, together with the unaudited comparative figures for the corresponding period in 2020 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and six months ended 30 June 2021

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	3	140,027	117,050	261,406	249,787
Cost of sales		(124,953)	(103,099)	(229,181)	(221,254)
Gross profit		15,074	13,951	32,225	28,533
Other income		567	300	1,232	957
Selling and distribution expenses		(1,992)	(1,245)	(4,673)	(4,074)
Administrative expenses		(14,161)	(10,027)	(27,864)	(21,263)
Finance costs	4	(2,014)	(2,421)	(4,113)	(5,178)
Sharing result of associated companies		-	-	-	984
Profit/(Loss) before income tax	5	(2,526)	558	(3,193)	(41)
Income tax expense	6	(358)	(681)	(664)	(738)
Loss for the period		(2,884)	(123)	(3,857)	(779)
Other comprehensive income/(expense) that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of financial statement of foreign operations		(314)	105	(301)	577
Total comprehensive loss for the period		(3,198)	(18)	(4,158)	(202)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2021	2020	2021	2020
		RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period attributable to:					
– Owners of the Company		(4,389)	(2,525)	(7,381)	(4,905)
– Non-controlling interests		1,505	2,402	3,524	4,126
Loss for the period		(2,884)	(123)	(3,857)	(779)
Total comprehensive loss for the period attributable to:					
– Owners of the Company		(4,703)	(2,420)	(7,682)	(4,328)
– Non-controlling interests		1,505	2,402	3,524	4,126
Total comprehensive loss for the period		(3,198)	(18)	(4,158)	(202)
Loss per share					
– Basic and diluted (RMB cents)	7	(0.13)	(0.08)	(0.22)	(0.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		47,375	51,447
Right-of-use assets		7,296	7,808
Intangible assets		479	504
Investment properties		281,763	281,763
Interest in associated companies		65,468	66,920
Goodwill		23,408	23,408
Equity instruments at fair value through other comprehensive income		1,206	1,206
Deferred tax assets		607	607
Total non-current assets		427,602	433,663
Current assets			
Inventories		50,733	19,384
Trade receivables	8	138,133	148,439
Prepayment, deposit and other receivables		259,836	195,833
Cash and cash equivalents		121,032	181,231
		569,734	544,887
Non-current assets classified as held for sale		203,716	203,716
Total current assets		773,450	748,603
Total assets		1,201,052	1,182,266
Current liabilities			
Trade payables	9	181,302	196,544
Contract liabilities		198,439	181,526
Accrual and other payables		232,739	197,416
Lease liabilities		474	910
Tax payables		15,717	17,051
Total current liabilities		628,671	593,447
Net current assets		144,779	155,156
Total assets less current liabilities		572,381	588,819

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
<i>Notes</i>		
Non-current liabilities		
Bank and other borrowings	278,180	290,460
Lease liabilities	2,783	2,783
Deferred tax liabilities	43,643	43,643
	324,606	336,886
Total liabilities	953,277	930,333
NET ASSETS	247,775	251,933
CAPITAL AND RESERVE		
Share capital	328,800	328,800
Reserves	(156,536)	(148,854)
	172,264	179,946
Equity attributable to owners of the Company	75,511	71,987
Non-controlling interests		
TOTAL EQUITY	247,775	251,933

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Cash flows from operating activities	(57,612)	(79,470)
Cash flows from investing activities	(587)	(3,637)
Cash flows from financing activities	(2,000)	(108)
Net decrease in cash and cash equivalents	(60,199)	(83,215)
Cash and cash equivalents at the beginning of the period	181,231	132,611
Cash and cash equivalents at the end of the period	121,032	49,396

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2021

	Equity attributable to owners of the Company							Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Revaluation reserve	Surplus reserve	Translation reserve	FVTOCI reserve	Accumulated losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	328,800	214,069	81,862	20,277	619	(3,666)	(426,632)	215,329	55,049	270,378
Total comprehensive loss for the period	-	-	-	-	577	-	(4,905)	(4,328)	4,126	(202)
At 30 June 2020	328,800	214,069	81,862	20,277	1,196	(3,666)	(431,537)	211,001	59,175	270,176
At 1 January 2021	328,800	214,069	81,862	20,422	(673)	(7,076)	(457,458)	179,946	71,987	251,933
Total comprehensive loss for the period	-	-	-	-	(301)	-	(7,381)	(7,682)	3,524	(4,158)
At 30 June 2021	328,800	214,069	81,862	20,422	(974)	(7,076)	(464,839)	172,264	75,511	247,775

1. COMPANY INFORMATION

Jiangsu NandaSoft Technology Company Limited (the “**Company**”) was incorporated as a company with limited liability in the People’s Republic of China (the “**PRC**”) on 18 September 1998. The Company’s shares have been listed on the 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, Gulou District, Nanjing, China. The Company’s principal place of business in Hong Kong is located at 9E, Phase 1, Kaiser Estate, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong.

The Group is mainly engaged in the sales of computer hardware and software products, provision of system integration services and properties investments.

2. BASIS OF PREPARATION

These unaudited condensed financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the unaudited financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The consolidated financial statements have been prepared under the historical cost basis except for equity investment at fair value through other comprehensive income and investment properties. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The consolidated financial statements are presented in Renminbi (“**RMB**”) which is also the functional currency of the Company.

The unaudited condensed financial statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual financial statements for the year ended 31 December 2020 (“**2020 Financial Statements**”) which have been prepared in accordance with the accounting policies which conforms to the HKFRSs. The details of which have been set out below.

Notes

(a) Adoption of new or revised HKFRSs

In the current period, the Group has applied all of the amendments to HKFRSs issued by the HKICPA that are relevant to its operations and effective for the Group's financial year beginning on 1 January 2021. The adoption of these amendments to HKFRSs had no material effect on the results and financial position of the Group and/or disclosures set out in these unaudited condensed consolidated financial statements for the current and/or prior accounting periods.

(b) New and amendments to HKFRSs in issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS that have been issued but are not yet effective:

Amendments to HKFRS 3	Definition of a Business ¹
Amendments to HKAS 1 and HKAS 8	Definition of Material ²
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ²

¹ Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2020

The application of other new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE

Performance obligations for contracts with customers

(i) Sales of computer hardware and software products

Revenue from trading of computer hardware and software products are recognised at a point in time when the goods have been delivered to the customer's specific location.

(ii) Provision of system integration service

The Group provides system integration service to customers. The customers simultaneously receive and consume the benefit provided by the Group, accordingly, the revenue is recognised as a performance obligation satisfied over time.

(iii) Properties management service income

The Group provides properties management service to customers. The customers simultaneously receive and consume the benefit provided by the Group, accordingly, the revenue is recognised as a performance obligation satisfied over time. For contracts that includes both lease and non-lease components (properties management services), the Group applies HKFRS 15 to allocate the consideration to separate lease and non-lease components on a relative stand-alone selling price basis. Advance consideration allocated to the properties management services is recognised as a contract liability and is released over the period of services.

(iv) Transaction allocated to the remaining performance obligation for contracts with customers

Except for the revenue from provision of system integration service, the Group has applied the practical expedient in paragraph 121 of HKFRS 15 to all of its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contract that had an original expected duration of one year or less. As at 30 June 2021, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing for system integration contracts and will recognise the expected revenue in future when or as the work is completed which is expected to occur within the next 5 years.

Notes

Disaggregation of revenue from contracts with customers:

	For the three months ended		For the six months ended	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trading of computer hardware and software products	1,889	17,865	3,839	18,309
Provision of system integration service	133,985	95,379	249,290	223,913
Properties management service income	559	156	1,290	707
Online education	–	30	–	30
Revenue from contracts with customers	136,433	113,430	254,419	242,959
Revenue from other source:				
Rental income	3,594	3,620	6,987	6,828
Total Revenue	140,027	117,050	261,406	249,787
Timing of revenue recognition:				
At a point in time	1,889	17,865	3,839	18,309
Over-time	138,138	99,185	257,567	231,478
	140,027	117,050	261,406	249,787

Notes

4. FINANCE COST

	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank and other borrowings	1,955	2,347	3,991	5,026
Interest on lease liabilities	59	74	122	152
Total	2,014	2,421	4,113	5,178

5. LOSS BEFORE INCOME TAX

	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Loss before income tax is arrived at after charging:</i>				
Depreciation of property, plant and equipment	2,012	1,749	3,999	3,473
Amortisation of intangible asset	14	13	28	25
Depreciation of right-of-use asset	258	302	512	547
Cost of inventories cost recognised as expenses	124,953	103,099	229,181	221,254

6. INCOME TAX EXPENSE

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Notes

On 6 December 2020, one of the subsidiaries of the Group 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 of obtaining the Hi-Tech certificate. As a result, this subsidiary was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2020.

Saved as the subsidiary disclosed above, the tax rate for other subsidiaries in PRC are 25% for the period.

On 2 December 2020, the Company obtained a China High-Tech Enterprise Certificate again 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 continuously subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2020.

	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Tax charges comprise:				
PRC income tax	358	681	664	738

7. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the loss attributable to the owners of the Company of RMB7,381,000 (2020: -RMB4,905,000) and the 3,288,000,000 (2020: 3,288,000,000) shares in issue during the period.

Diluted earnings per share is not presented for the three months and six months ended 30 June 2020 and 2021 as there were no potential dilutive securities during the relevant periods.

Notes

8. TRADE RECEIVABLES

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Trade receivables from contracts with customers and other source	230,389	240,695
Less: Allowance for credit losses	(120,422)	(120,422)
Trade receivables (net of allowance for credit losses)	109,967	120,273
Retention receivables from customers for contract work (<i>Note</i>)	28,166	28,166
Total Trade Receivables	138,133	148,439

Note: Retention receivables in respect of the system integration services are settled in accordance with the term of the respective contracts.

The Group did not hold any collateral as security or other credit enhancements over the trade receivables. The credit period on sales of goods for recurring customers is 90 days from invoice date.

The following is an aging analysis of the trade receivables excluding of retention receivables, net of allowance for credit losses, presented based on earlier of invoice date or revenue recognition date is as follows:

Items	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Within 3 months	47,766	71,114
3 to 6 months	4,726	1,458
6 to 12 months	43,872	47,701
Over 1 year	13,603	–
	109,967	120,273

Notes

9. TRADE PAYABLES

The ageing analysis of the trade payables of the Group based on the invoice date at the reporting date is as follows:

Items	Unaudited	Audited
	30 June 2021 RMB'000	31 December 2020 RMB'000
Within 3 months	20,649	42,169
3-6 months	44,260	5,275
6-12 months	7,212	5,298
Over 1 year	109,181	143,802
	181,302	196,544

10. SEGMENT REPORTING

According to the internal organizational structure of the Group, requirement for managements and internal reporting system, the operating business is classified into three reporting segments:

- (a) computer hardware and software products segment;
- (b) system integration service segment; and
- (c) property investment segment.

The unreported operating segments including business aggregated as "others". The management of the Group will evaluate the results of these report segments to determine the distribution of resources and evaluation on its results.

The Group operates principally in the PRC. Over 90% of the Group's revenue is derived from the sales of goods and rendering of IT services in the PRC and over 90% of the Group's assets are located in the PRC. Accordingly, no further disclosures by the reportable segments based on geographical segment were made. Segment results represent the gross profits earned by each segment.

Notes

The following is an analysis of the Group's revenue and results by reportable segment:

Items	Computer hardware and software products		System integration service		Property investment		Others		Total	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	3,839	18,309	249,290	223,913	8,277	7,535	-	30	261,406	249,787
Reportable segment profit	1,252	634	26,055	22,117	4,918	5,752	-	30	32,225	28,533
Government grants									400	695
Interest income									383	131
Other income									449	131
Share of results of associated companies									-	984
Finance costs									(4,113)	(5,178)
Unallocated corporate expenses									(32,537)	(25,337)
Loss before income tax									(3,193)	(41)

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend during the period (2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The consolidated turnover of the Group for the three months and six months ended 30 June 2021 was approximately RMB140,027,000 and RMB261,406,000, representing an increase of approximately 19.6% and 4.7% respectively as compared with the same period of last year. Since some of the projects and phased settlement of Jiangsu Changtian Zhiyuan Transportation Technology Company Limited (the “**Changtian Zhiyuan**”), an owned subsidiary of the Company were completed and revenue recognition for Changtian Zhiyuan during the period increased by RMB13,462,000 or approximately 5.6% over the same period of last year.

During the period, loss attributable to owners of the Company for the three months and six months ended 30 June 2021 was approximately RMB4,389,000 and RMB7,381,000 respectively, representing an increase in loss of approximately RMB1,864,000 or approximately 73.8% and RMB2,476,000 or approximately 50.5% as compared with the same period of last year. During the period, the administrative expenses, which increase of approximately 31.0% than the same period of last year, mainly due to the increasing of the remuneration and research and development costs, which leading the increase of loss attributable to owners of the Company.

Financial Resources and Liquidity

As at 30 June 2021, the equity attributable to owners of the Company of the Group amounted to approximately RMB172,264,000.

As at 30 June 2021, current assets amounted to approximately RMB773,450,000, of which RMB121,032,000 were cash and cash equivalents. The Group had current liabilities amounting to approximately RMB628,671,000 which were mainly trade payables, contract liabilities, accrual and other payables, and tax payables.

As at 30 June 2021, the net asset value per share of the Group was RMB0.052. As at 30 June 2021, the gearing ratio of the Group was 23.2%.

Material Investment, Acquisition and Disposal

As at 30 June 2021, the Group had no material investment, acquisition and disposal during the period.

Charge on Group Assets

As at 30 June 2021, the Group had no charge on group assets (2020: Nil).

Capital Commitments

As at 30 June 2021, the Group did not have any contracted for but not yet provided for capital commitment.

Foreign Currency Risk

During the six months period ended 30 June 2021, as substantially over 90% of the Group's sales and purchases were denominated in Renminbi, the Board considers that the potential foreign exchange exposure of the Group is limited.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2021, total remuneration cost for the Group was approximately RMB18,700,000 (2020: RMB15,190,000) and the Group had 284 employees (2020: 271 employees). Remuneration is determined by reference to market rates and the performance, qualifications and experience of individual employees. The Group will recognize and reward their contributions according to their performance. Other benefits include contribution to retirement scheme, medical scheme, unemployment insurance and housing fund.

BUSINESS REVIEW

In the first half of the year, China's economy showed gradual recovery as supported by the country's successful fight against the COVID-19 epidemic and driven by a robust technological innovation industry. As a company intensively engaged in the "Internet Plus" field, the Company has kept its focus on intelligent platform-based operations, strengthened the foundation of its existing business and proactively developed innovative business. As a result, Company's key business segments saw steady growth in the first half of the year.

Intelligent Transportation

Jiangsu Changtian Zhiyuan Transportation Technology Company Limited ("**Changtian Zhiyuan**"), a company controlled by the Company, continued to increase its efforts in business development in the second quarter. It won the bid for the CX-WX-91-1 tender section of the electromechanical construction project of Changzhou-Wuxi section of the southern Suxichang Expressway, with a contract sum of RMB168 million, providing a strong guarantee for the second half of the year. In addition, thanks to its continuous efforts in improving its technological innovation and research capabilities, Changtian Zhiyuan was honored as an "Engineering Technology Research Center of Nanjing in 2021" and was granted the certificates of Level II of Information Engineering and Technical Service Capability (信息化工程與技術服務能力評價貳級) and Information System Security Integration Service Level II (信息系統安全集成服務二級) during the period. In the first half of the year, Changtian Zhiyuan also managed to ensure the steady and orderly implementation of projects in progress.

Smart Education

During the period, Jiangsu Zhiya Online Education Technology Ltd. (“**Zhiya Online**”), a company controlled by the Company, continued to focus on the construction and maintenance of the training base at the Industrial Centre of the Changzhou Science and Education City (“**SE Park**”) and explore in-depth cooperation with the intellectual property trading platform in the commercialization of scientific and technological achievements. Besides, taking the SE Park as the teaching, research and training platform for vocational education, Zhiya Online further explored various possibilities of online vocational education in the future, strived to build an online vocational education ecology at the SE Park, and made active promotion efforts.

Intellectual Property Trading Platform of Chinese Colleges and Universities

The intellectual property trading platform of colleges and universities, which is operated by an associated company, Nanjing Zhonggao Intellectual Property Co., Ltd. (“**Nanjing Zhonggao**”), maintained stable operation during the second quarter. As of the end of the second quarter, the platform had over 22,000 registered users, with over 200 patents under its custody on a monthly average basis during the period. During the period, Nanjing Zhonggao increased its efforts in the iteration and innovation of product technology, expanded external application interface services, and further enhanced the platform’s capabilities for data analysis, consolidation and application so as to better target at market demand. Meanwhile, Nanjing Zhonggao strengthened its in-depth cooperation with the Jiangsu Proprietary Technology Exchange Center to promote the project of “awakening sleeping patents”.

PROSPECTS

In the post-pandemic business environment, the integration of “Internet Plus” and various industries will further be deepened, which will contribute more to economic development. As a high-tech enterprise rooted in the “Internet Plus” industry, we have always adhered to the national innovation-driven strategy and catered to the needs of economic and social development.

We will, as always, build on the scientific research and technological achievements of Nanjing University. In the second half of the year, we will continue to make pioneering efforts and pursue new achievements and innovations in such areas as intelligent transportation, remote education and intellectual property trading so as to seek for new opportunities and more extensive strategic cooperation and lay a solid foundation for the stable growth and performance of the Company in the future.

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

As at 30 June 2021, the interests and short positions of the directors, supervisors and chief executives 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 (Cap. 571 of the Laws of Hong Kong) (the "SFO"), as recorded in the register referred to therein 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 Rules Governing the Listing of Securities on the GEM ("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 controlled corporation	820,783,735 (Note 2)	–	29.49%	–	24.96%

Notes:

- (1) As of 30 June 2021, the Company issued 2,782,800,000 domestic shares and 505,200,000 H shares, i.e. 3,288,000,000 shares in total.
- (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 30 June 2021, 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 six months ended 30 June 2021 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 to enable 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

As at 30 June 2021, the following interests and short positions of 5% or more of the shares and underlying shares of the Company held by shareholders (excluding directors, supervisors and chief executives of the Company) were recorded in the register of interests 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	Beneficial owner	577,592,975	20.76%	-	-	577,592,975	17.57%
Fuji Investment Company Limited (Note 3) (Note 4)	Beneficial owner	240,000,000	8.62%	-	-	240,000,000	7.30%
Jiangsu Fuchuang 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%
Jiata'er (Nanjing) Energy Company Limited (Note 4)	Beneficial owner	210,000,000	7.55%	-	-	210,000,000	6.39%

Notes:

- (1) As at 30 June 2021, 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. Pursuant to section XV of the SFO, Mr. Zhu Yong Ning was deemed as to be interested in the above shareholding of Jiangsu Keneng Electricity and Jiangsu Jintao.
- (3) Oriental Petroleum (Yangtze) Limited and Fuji Investment Company Limited were controlled by the same shareholder.
- (4) On 5 February 2021, Fuji Investment Company Limited had transferred 210,000,000 domestic shares it held to Jiata'er (Nanjing) Energy Company Limited (嘉塔爾(南京)能源有限公司) and the above domestic shares had been registered in China Securities Depository and Clearing Company Limited.

Save as disclosed above, as at 30 June 2021, no person, other than the directors, supervisors and chief executives 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 six months ended 30 June 2021.

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 maximize 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. Zhou Mei Lin, Ms. Xu Xiao Qin and Mr. Zhang Zheng Tang. The primary duties of the audit committee are to review and provide supervision over the financial reporting, risk management and internal control system of the Group. The audit committee has reviewed the interim results announcement and interim report for the six months ended 30 June 2021 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 six months ended 30 June 2021.

By order of the Board
Jiangsu NandaSoft Technology Company Limited*
江蘇南大蘇富特科技股份有限公司
Zhu Yong Ning
Chairman

Nanjing, the PRC, 6 August 2021

* *For identification purpose only*

As at the date of this report, the Board comprises nine directors, of which two are executive directors, namely Mr. Zhu Yong Ning (Chairman) and Mr. Wu Qing An, four are non-executive directors, namely Mr. Xu Zhi Bin, Mr. Sha Min, Mr. Xu Hao and Mr. Yin Jian Kang and three are independent non-executive directors, namely Mr. Zhou Mei Lin, Ms. Xu Xiao Qin and Mr. Zhang Zheng Tang.

This report will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting and on the Company’s website at www.nandasoft.com.