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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)

2023

INTERIM REPORT



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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 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

Turnover amounted to approximately RMB69,935,000 for the six months ended 30 June 2023, representing a decrease of approximately 60.9% as compared with the corresponding period in 2022.

Net loss attributable to owners of the Company was approximately RMB10,122,000 for the six months ended 30 June 2023, representing a decrease in loss of approximately 26.4% as compared with the corresponding period in 2022.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023.

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 2023.

For the three months and six months ended 30 June 2023, the unaudited turnover of the Group was approximately RMB31,248,000 and RMB69,935,000 respectively, representing a decrease of approximately RMB4,418,000 and RMB109,099,000 or a decrease of approximately 12.4% and 60.9% respectively as compared with the corresponding periods in 2022.

The unaudited net loss attributable to owners of the Company for the three months and six months ended 30 June 2023 was approximately RMB3,232,000 and RMB10,122,000 respectively, representing a decrease in loss of approximately RMB313,000 and RMB3,624,000 or a decrease in loss of approximately 8.8% and 26.4% respectively as compared with the corresponding periods in 2022.



The unaudited results of the Group for the three months and six months ended 30 June 2023, together with the unaudited comparative figures for the corresponding periods in 2022 are as follows:

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

For the three months and six months ended 30 June 2023

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	4	31,248	35,666	69,935	179,034
Cost of sales		(28,231)	(31,570)	(60,855)	(162,027)
Gross profit		3,017	4,096	9,080	17,007
Other income		117	57	245	329
Selling and distribution expenses		(378)	(902)	(1,314)	(6,252)
Administrative expenses		(3,860)	(4,481)	(14,062)	(19,649)
Finance costs	5	(1,976)	(2,347)	(3,936)	(5,016)
Share of results of associates		-	-	-	-
Loss before income tax	6	(3,080)	(3,577)	(9,987)	(13,581)
Income tax expense	7	(25)	(13)	(50)	(103)
Loss for the period		(3,105)	(3,590)	(10,037)	(13,684)
Other comprehensive (loss)/ income that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of financial statements of foreign operations		747	664	747	666
Total comprehensive loss for the period		(2,358)	(2,926)	(9,290)	(13,018)

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	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023	2022	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period attributable to:					
– Owners of the Company		(3,232)	(3,545)	(10,122)	(13,746)
– Non-controlling interests		127	(45)	85	62
Loss for the period		(3,105)	(3,590)	(10,037)	(13,684)
Total comprehensive loss for the period attributable to:					
– Owners of the Company		(2,485)	(2,881)	(9,375)	(13,080)
– Non-controlling interests		127	(45)	85	62
Total comprehensive loss for the period		(2,358)	(2,926)	(9,290)	(13,018)
			Restated		Restated
Loss per share					
– Basic and diluted (RMB cents)	8	(0.78)	(0.86)	(2.46)	(3.34)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 June 2023*

	Unaudited	Audited
	30 June	31 December
	2023	2022
<i>Notes</i>	RMB'000	RMB'000
ASSETS AND LIABILITIES		
Other current assets		
Property, plant and equipment	34,165	37,293
Right-of-use assets	5,281	5,770
Intangible assets	380	402
Investment properties	272,714	272,714
Interests in associates	71,863	71,863
Goodwill	23,408	23,408
Equity instruments at fair value through other comprehensive income ("FVTOCI")	705	705
Total non-current assets	408,516	412,155
Current assets		
Trade receivables	148,424	152,132
Prepayments, deposits and other receivables	272,918	267,647
Cash and cash equivalents	33,898	44,050
Non-current assets classified as held for sale	203,716	203,716
Total current assets	658,956	667,545
Total assets	1,067,472	1,079,700
Current liabilities		
Trade payables	221,757	225,430
Contract liabilities	121,365	122,453
Accruals and other payables	288,622	263,311
Lease liabilities	594	1,145
Tax payables	15,834	16,182
Total current liabilities	648,172	628,521
Net current assets	10,784	39,024
Total assets less current liabilities	419,300	451,179

	Unaudited 30 June 2023 <i>RMB'000</i>	Audited 31 December 2022 <i>RMB'000</i>
Non-current liabilities		
Other borrowings	198,416	221,005
Lease liabilities	615	615
Deferred tax liabilities	41,381	41,381
Total non-current liabilities	240,412	263,001
Total liabilities	888,584	891,522
NET ASSETS	178,888	188,178
CAPITAL AND RESERVES		
Share capital	41,100	41,100
Reserves	69,730	79,105
Equity attributable to owners of the Company	110,830	120,205
Non-controlling interests	68,058	67,973
TOTAL EQUITY	178,888	188,178



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)*For the six months ended 30 June 2023*

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities	12,437	(50,009)
Cash flows from investing activities	–	–
Cash flows from financing activities	(22,589)	–
Net decrease in cash and cash equivalents	(10,152)	(50,009)
Cash and cash equivalents at the beginning of the period	44,050	143,915
Cash and cash equivalents at the end of the period	33,898	93,906



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)*For the six months ended 30 June 2023*

	Equity attributable to owners of the Company							Total	Non-controlling interests	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 2022	328,800	214,069	81,862	20,560	(996)	(7,541)	(497,588)	139,166	72,973	212,139
Total comprehensive loss for the period	-	-	-	-	666	-	(13,746)	(13,080)	62	(13,018)
At 30 June 2022	328,800	214,069	81,862	20,560	(330)	(7,541)	(511,334)	126,086	73,035	199,121
At 1 January 2023	41,100	501,769	81,862	21,415	2,713	(7,577)	(521,077)	120,205	67,973	188,178
Total comprehensive loss for the period	-	-	-	-	747	-	(10,122)	(9,375)	85	(9,290)
At 30 June 2023	41,100	501,769	81,862	21,415	3,460	(7,577)	(531,199)	110,830	68,058	178,888

Notes

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

The address of the Company’s registered office is 12/F, NandaSoft Softech Park, No. 19 South Qingjiang Road, Gulou District, Nanjing, China and its principal place of business in Hong Kong is 9E, Phase 1, Kaiser Estate, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries (the “**Group**”) are the trading of computer hardware and software products, provision of system integration services, and property investments.

The Company’s ultimate controlling shareholder is Mr. Zhu Yong Ning.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institution of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for equity instruments at FVTOCI and investment properties, which are measured at fair value at the end of the reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.



Notes

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



Notes

3. APPLICATION OF AMENDMENTS TO HKFRSs**Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2020 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Convenants ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Notes

4. REVENUE

Disaggregation of revenue from contracts with customers

	For the three months ended 30 June		For the six months ended 30 June	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Trading of computer hardware and software products	2,206	645	4,180	5,083
Provision of system integration services	25,841	31,042	58,050	165,162
Property management services	630	499	1,409	1,424
Revenue from contracts with customers	28,677	32,186	63,639	171,669
Revenue from other source				
Rental income	2,571	3,481	6,296	7,366
Total revenue	31,248	35,667	69,935	179,035
Timing of revenue recognition				
At a point in time	2,206	645	4,180	5,083
Over time	29,042	35,022	65,755	173,952
	31,248	35,667	69,935	179,035

Performance obligations for contracts with customers

Trading of computer hardware and software products

Revenue from trading of computer hardware and software products is recognised at a point in time when control of the computer hardware and software products is transferred to the customers, being at the point that the customers obtain the control of the computer hardware and software products and the Group has present right to payment and the collection of the consideration is probable.

Notes

Provision of system integration services

The Group provides system integration services to customers. Such services are recognised as performance obligation satisfied over time as the Group creates or enhances an assets that the customer controls as the asset is created or enhanced. Revenue for these services is recognised using output method, i.e. based on the relevant services completed by the Group to date with reference to periodic progress reports as verified by the customers. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of the performance obligations under HKFRS 15.

Property management service income

Income from provision of property management services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligations, as the customers simultaneously receive and consume the benefits from the Group's performance. For contracts that includes both lease and non-lease components (property 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 property management services is recognised as a contract liability and is released over the period of services.

5. FINANCE COSTS

	For the three months ended 30 June		For the six months ended 30 June	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Interest on other borrowings	1,951	2,305	3,882	4,926
Interest on lease liabilities	25	43	54	90
Total	1,976	2,348	3,936	5,016

Notes

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:	For the three months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of property, plant and equipment	1,564	2,250	3,128	4,504
Amortisation of intangible assets	12	12	24	25
Depreciation of right-of-use assets	244	245	489	490
Cost of inventories recognised as expenses	28,231	31,570	60,855	162,027

7. 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.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

On 2 December 2020, the Company obtained a China High-Tech Enterprise Certificate which is valid for three years. The entities qualifying for the High-Tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year obtaining the High-Tech certificate. As a result, the Company was subject to PRC Enterprise Income Tax at the preferential rate of 15% for three years commencing from 2020. Enterprise income tax ("EIT") arising from subsidiaries operating in the PRC was calculated at either 15% or 25% (2022: 15% or 25%) of the estimated assessable profits of the subsidiaries during the period ended 30 June 2023.

Tax charges comprise:	For the three months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC income tax	25	13	50	103

Notes

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB10,122,000 (2022: –RMB13,746,000) and the 411,000,000 (2022: 411,000,000 (restated)) shares in issue during the period.

A share consolidation of 8 shares into 1 shares of the Company had been completed on 13 July 2022. The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for the periods ended 30 June 2023 and 2022.

Diluted earnings per share is not presented for the three months and six months ended 30 June 2022 and 2023 as there were no potential dilutive securities during the relevant periods.

9. TRADE RECEIVABLES

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Trade receivables from contracts with customers	269,820	273,353
Less: Allowance for credit losses	(145,444)	(145,444)
Total trade receivables	124,376	127,909
Contract assets	24,048	24,223
	148,424	152,132
Prepayments	138,984	135,574
Deposits	56,766	58,654
Other receivables	77,168	73,419
	421,342	419,779

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

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

Notes

The following is an aging analysis of trade receivables (excluding retention receivables and net of allowance for credit losses) presented based on invoice date or revenue recognition date, whichever is earlier:

Items	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Within 3 months	28,478	38,411
3 to 6 months	2,586	803
7 to 12 months	30,462	61,355
Over 1 year	62,850	27,340
	124,376	127,909
Retention monies		
On demand or within 1 year	8,782	17,907
After 1 year	15,266	6,316
	24,048	24,223

10. TRADE PAYABLES

The following is an ageing analysis of the Group's trade payables based on invoice date at the reporting date:

Items	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Within 3 months	24,698	45,538
4 to 6 months	1,299	-
7 to 12 months	16,764	-
Over 1 year	178,996	179,892
	221,757	225,430

Notes

11. SEGMENT REPORTING

According to the Group's internal organizational structure, requirements for management and internal reporting system, the Group's operations are organised into three reportable segments:

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

Unreported operating segments are included in the aggregated business termed "Others". The management of the Group regularly evaluates the results of these reportable segments to determine the allocation of resources among them and to evaluate their performance.

The Group operates principally in the PRC. Over 90% of the Group's revenue is derived from the sale of goods and rendering of IT services in the PRC and over 90% of the Group's assets are located in the PRC. Accordingly, there is no further disclosure by geographical location for the reportable segments. Segment results represent the gross profits earned by each segment.

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

Items	Computer hardware and software products		System integration services		Property investment		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	
	2023	2022	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	4,180	5,083	58,050	165,162	7,705	8,790	69,935	179,035
Reportable segment profit	336	784	3,558	10,373	5,186	5,850	9,080	17,007
Government grants							-	11
Interest income							107	288
Other income							138	30
Finance costs							(3,936)	(5,016)
Unallocated corporate expenses							(15,376)	(25,901)
Loss before income tax							(9,987)	(13,581)

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The consolidated turnover of the Group for the three months and six months ended 30 June 2023 was approximately RMB31,248,000 and RMB69,935,000, representing a decrease of approximately 12.4% and 60.9%, respectively, as compared with the corresponding periods of last year. The decrease was mainly due to a year-on-year decrease of approximately RMB108,049,000 or 63.5% in revenue recognised for progress payments of ongoing projects undertaken by Jiangsu Changtian Zhiyuan Transportation Technology Company Limited, a majority-owned subsidiary of the Company.

The decrease in loss of the Company was mainly due to tight control of expenses by the management. The selling and distribution expenses for the period decreased by approximately 78.9% as compared with the corresponding period of last year. For the three months and six months ended 30 June 2023, loss attributable to owners of the Company was approximately RMB3,232,000 and RMB10,122,000 respectively, representing a decrease in loss attributable to owners of the Company of approximately RMB313,000 and RMB3,624,000 or approximately 8.8% and 26.4% respectively as compared with the corresponding periods of last year.

Financial Resources and Liquidity

As at 30 June 2023, the equity attributable to owners of the Company amounted to approximately RMB110,830,000.

As at 30 June 2023, the Group's current assets amounted to approximately RMB658,956,000, of which approximately RMB333,898,000 was cash and cash equivalents; and current liabilities amounted to approximately RMB648,172,000, mainly comprising trade payables, contract liabilities, accruals and other payables, and tax payables.

As at 30 June 2023, the net asset value per share of the Group was approximately RMB0.27.

As at 30 June 2023, the Group's gearing ratio (i.e. total debt to total assets) was approximately 18.6%.

Material Investments, Acquisitions and Disposals

The Group had no material investments, acquisitions or disposals during the period.

Charge on Group Assets

As at 30 June 2023, the Group had no charges on group assets (2022: Nil).

Capital Commitments

As at 30 June 2023, the Group had no capital commitments contracted but not provided for.

Foreign Currency Risk

During the six months period ended 30 June 2023, the Board considered that the potential foreign exchange exposure of the Group was limited as over 90% of the Group's sales and purchases were denominated in Renminbi.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the total remuneration cost of the Group was approximately RMB14,300,000 (2022: RMB14,990,000) and the Group had 250 employees (2022: 260 employees). Remuneration is determined with reference to prevailing market rates and the performance, qualifications and experience of individual employees. Discretionary bonuses are paid to employees based on individual performance to recognise and reward their contributions. Other benefits include contributions to retirement and medical schemes, unemployment insurance and housing allowances.

BUSINESS REVIEW

Since the second quarter of 2023, China's economy has shown signs of recovery in general, prominently driven by domestic consumption, which has led to the revival of other sectors. The Company kept a close eye on industry dynamics, adjusted the strategic deployment of its existing intelligent platform-based business and endeavored to resume the development of its various intelligence-based operations. Meanwhile, the Company has continued to deepen its business development in respect of the intellectual property trading platform of colleges and universities in China, and strengthened the in-depth cooperation with colleges and universities, new R&D Institutions and science and education towns in an effort to promote steady business development amid the economic recovery.



Intelligent Transportation

Jiangsu Changtian Zhiyuan Transportation Technology Company Limited (“**Changtian Zhiyuan**”), a majority-owned subsidiary of the Company, saw its performance slip due to the adverse effects of the COVID-19 pandemic on its projects. Despite vigorous efforts of the company to promote the commencement of new projects and push for payments for completed works, Changtian Zhiyuan recorded a year-on-year decrease in revenue for the period, which had a great impact on the overall performance of the Group. Changtian Zhiyuan has strengthened its communication and coordination with customers and relevant authorities to minimize the adverse effects. Nevertheless, Changtian Zhiyuan continued to maintain its competitive edge in the industry, proactively optimized its strategic deployment and pooled the strengths of its high-caliber teams to enhance its product and technological advantages and step up channel rollout efforts, thereby building up more business resources and channels for business development in the second half of the year.

Smart Education

During the period, Jiangsu Zhiya Online Education Technology Ltd. (“**Zhiya Online**”), a majority-owned subsidiary of the Company, continued to promote the development of the training base at the Industrial Centre of the Changzhou Science and Education Town, with a focus on cooperation in the field of the intellectual property trading platform so as to integrate intellectual property into the cloud platform of the Science and Education Town, and promoted the implementation of the intellectual property-related project of colleges and universities in Changzhou. Relying on the main functions of the training base in the Science and Education Town, Zhiya Online actively developed model projects in the Science and Education Town in a bid to build a demonstration base for practical training courses of vocational colleges.

Intellectual Property Trading Platform for Chinese Colleges and Universities

The intellectual property trading platform for colleges and universities, which is operated by Nanjing Zhonggao Intellectual Property Co., Ltd. (“**Nanjing Zhonggao**”), an associated company of the Company, maintained stable operation during the period. The platform provided online and offline services to 18,390 enterprises, and the number of registered users of the intellectual property custody and service system exceeded 28,570.



In addition, Nanjing Zhonggao has since the first half of the year focused on strengthening the development of products for both the government end and the university end, and achieved certain results, laying a sound foundation for the realization of product application in the second half of the year. Nanjing Zhonggao continued to analyze and optimize the requirements of the individualized projects at its branch centers, including maintaining the business connection with Nanjing University of Information Science & Technology and the Management Committee of Jiangsu Suqian Economic Development Zone, and developing key customers such as Hangzhou Saiyuan Lighting Appliance Co., Ltd. and Zhongshan Aodong Electronic Technology Co., Ltd., so as to build more application platforms.

PROSPECTS

In the first half of the year, the signs of recovery in various industries became more prominent, boosting the confidence in the development of various industries in development and giving impetus to business development in the second half of the year. The Company will continue to build on the academic strengths and resources of Nanjing University, endeavor to seize business development opportunities in the second half of the year, actively explore new businesses and seek new growth points. Meanwhile, as a university-backed listed enterprise, the Company will strive to provide more cutting-edge consulting and technical support to various industries, and to provide smart Internet Plus solutions for players in various industries by riding on the new trend of technological development and paying close attention to market demand, thereby opening up a broader development space for the Company.

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 2023, 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	102,597,967 (Note 2)	–	29.49%	–	24.96%

Notes:

- (1) As of 30 June 2023, the Company issued 347,850,000 domestic shares and 63,150,000 H shares, i.e. 411,000,000 shares in total.
- (2) 101,100,000 domestic shares were owned by Jiangsu Keneng Electricity Technology Co., Ltd. (“Jiangsu Keneng Electricity”) which Mr. Zhu Yong Ning held 90% ownership, and 1,497,967 domestic 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 2023, 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 2023 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 2023, 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:

Shareholder	Type of Interest	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	101,100,000	29.06%	-	-	101,100,000	24.60%
Anhui Jixi Property Investment Co. Ltd	Beneficial owner	74,199,122	20.76%	-	-	74,199,122	17.57%
Fuji Investment Company Limited (Note 3)	Beneficial owner	30,000,000	8.62%	-	-	30,000,000	7.30%
Jiangsu Fuchuang Electronic Business Company Limited	Beneficial owner	28,125,000	8.09%	-	-	28,125,000	6.84%
Jiangsu Yuchang Modern Agricultural Development Company Limited	Beneficial owner	28,125,000	8.09%	-	-	28,125,000	6.84%
Jiata'er (Nanjing) Energy Company Limited	Beneficial owner	26,250,000	7.55%	-	-	26,250,000	6.39%
Oriental Petroleum (Yangtze) Limited (Note 3)	Beneficial owner	-	-	10,525,000	16.67%	10,525,000	2.56%



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Notes:

- (1) As at 30 June 2023, the Company had 347,850,000 domestic shares and 63,150,000 H shares in issue, totalling 411,000,000 shares.
- (2) 101,100,000 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.
- (3) Fuji Investment Company Limited and Oriental Petroleum (Yangtze) Limited were controlled by the same shareholder.
- (4) On 13 July 2022, the Company completed the share consolidation and capital reduction. The Company currently has a total of 411,000,000 shares and a registered capital of RMB41,100,000.

Save as disclosed above, as at 30 June 2023, 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 2023.



CORPORATE GOVERNANCE

The Company is committed to upholding good corporate governance. This year considerable efforts were made by the Board to identify and formalise the best practices according to international standards. As at 30 June 2023, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 15 to the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”), save for the deviation from CG Code provision A.2.1. The Board has adopted the CG Code, ensuring greater transparency and quality of disclosure as well as more effective risk control. We believe our commitment to the highest standards of governance will translate into long-term value and ultimately maximise returns to shareholders and stakeholders.

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 2023 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 2023.

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, 11 August 2023

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

This report will remain on the GEM website at www.hkgem.com on the “Latest Listed Company Information” page for 7 days from the date of its posting.

