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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
Third Quarterly Report

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

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board 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 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

- Turnover amounted to approximately RMB71,370,000 for the nine months ended 30 September 2023, representing a decrease of approximately 64.8% as compared with the corresponding period in 2022.
- The net loss attributable to owners of the Company was approximately RMB14,227,000 for the nine months ended 30 September 2023.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2023.

THIRD 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 and nine months ended 30 September 2023.

For the three months and nine months ended 30 September 2023, the unaudited turnover of the Group was approximately RMB1,435,000 and RMB71,370,000 respectively, representing a decrease of approximately RMB22,066,000 or approximately 93.9% and RMB131,166,000 or approximately 64.8% respectively as compared with the corresponding periods in 2022.

The Group’s unaudited net loss attributable to owners of the Company for the three months and nine months ended 30 September 2023 amounted to approximately RMB4,106,000 and RMB14,227,000 respectively, representing a decrease in loss of approximately RMB985,000 or approximately 19.4% and RMB4,609,000 or approximately 24.5% respectively as compared with the corresponding periods in 2022.



The unaudited results of the Group for the three months and nine months ended 30 September 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 nine months ended 30 September 2023

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	2	1,435	23,501	71,370	202,536
Cost of sales		(1,460)	(19,929)	(62,314)	(181,956)
Gross profit/(loss)		(25)	3,572	9,056	20,580
Other income		282	45	527	374
Selling and distribution expenses		(220)	(845)	(1,535)	(7,096)
Administrative expenses		(1,650)	(5,947)	(15,712)	(25,597)
Finance costs	3	(1,992)	(2,062)	(5,928)	(7,078)
Loss before income tax		(3,605)	(5,237)	(13,592)	(18,817)
Income tax expense	4	(13)	–	(62)	(103)
Loss for the period	5	(3,618)	(5,237)	(13,654)	(18,920)
Other comprehensive income/ (expense) that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of financial statements of foreign operations		333	189	1,079	854
Total comprehensive loss for the period		(3,285)	(5,048)	(12,575)	(18,066)

	For the three months ended 30 September		For the nine months ended 30 September	
	2023	2022	2023	2022
Notes	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(loss) for the period attributable to:				
– Owners of the Company	(4,106)	(5,091)	(14,227)	(18,836)
– Non-controlling interests	488	(146)	573	(84)
Profit/(loss) for the period	(3,618)	(5,237)	(13,654)	(18,920)
Total comprehensive loss for the period attributable to:				
– Owners of the Company	(3,773)	(4,902)	(13,148)	(17,982)
– Non-controlling interests	488	(146)	573	(84)
	(3,285)	(5,048)	(12,575)	(18,066)
Loss per share				
– Basic and diluted (RMB cents)	6 (1.00)	(1.24)	(3.46)	(4.58)



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 (collectively, 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 (“**GEM 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.

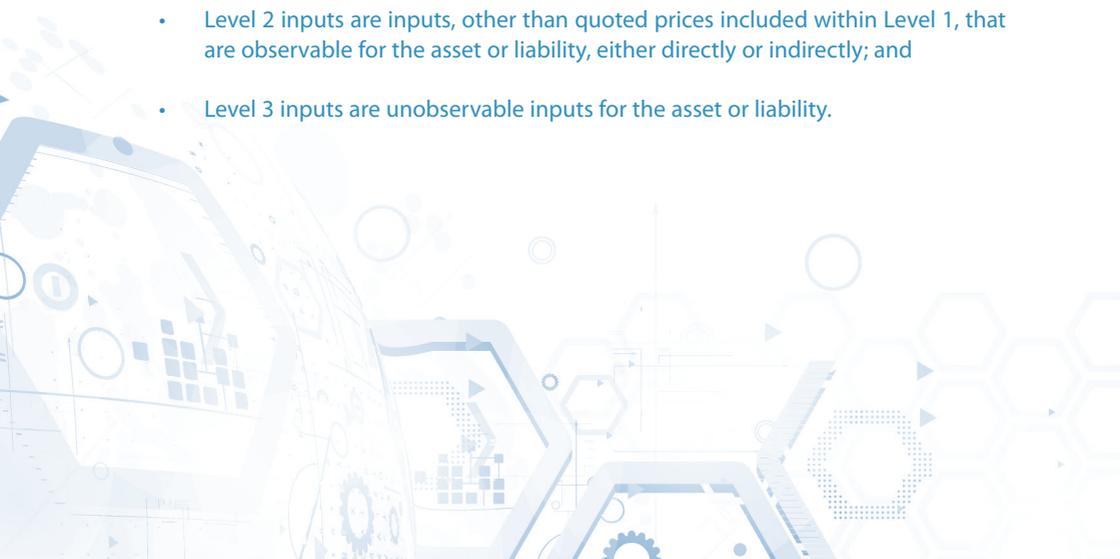
Notes

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.

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 period

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Trading of computer hardware and software products	–	5,861	4,180	10,944
Provision of system integration services	795	13,954	58,845	179,116
Property management services	340	967	1,749	2,391
Revenue from contracts with customers	1,135	20,782	64,774	192,451
Revenue from other source				
Rental income	300	2,719	6,596	10,085
Total revenue	1,435	23,501	71,370	202,536
Timing of revenue recognition				
At a point in time	–	5,861	4,180	10,944
Over time	1,435	17,640	67,190	191,592
	1,435	23,501	71,370	202,536

Notes

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.

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 September		For the nine months ended 30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank and other borrowings	1,974	2,024	5,856	6,950
Interest on lease liabilities	18	38	72	128
Total	1,992	2,062	5,928	7,078

Notes

6. LOSS BEFORE INCOME TAX

	For the three months ended 30 September		For the nine months ended 30 September	
	2023	2022	2023	2022
	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	1,688	2,227	4,816	6,731
Amortisation of intangible assets	11	13	35	38
Depreciation of right-of-use assets	244	245	733	735
Cost of inventories recognised as expenses	1,460	19,929	62,314	181,956

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 September 2023.

	For the three months ended 30 September		For the nine months ended 30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Tax charges comprise:				
PRC income tax	13	-	62	103

Notes

8. 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 ordinary equity holders of the Company for the three months and nine months ended 30 September 2023 of approximately RMB4,106,000 (2022: RMB-5,091,000) and RMB14,227,000 (2022: RMB-18,836,000) respectively. The number of shares in issue used for the calculation of basic loss per share is 411,000,000 (2022: 411,000,000).

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

9. RESERVE

Item	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		
At 1 January 2022	328,800	214,069	81,862	20,560	(996)	(7,541)	(497,588)	139,166	72,973	212,139
Share consolidation during the period	(287,700)	287,700	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	854	-	(18,836)	(17,982)	(84)	(18,066)
At 30 September 2022	41,100	501,769	81,862	20,560	(142)	(7,541)	(516,424)	121,184	72,889	194,073
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	-	-	-	-	1,079	-	(14,227)	(13,148)	573	(12,575)
At 30 September 2023	41,100	501,769	81,862	21,415	3,792	(7,577)	(535,304)	107,057	68,546	175,603

DIVIDEND

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

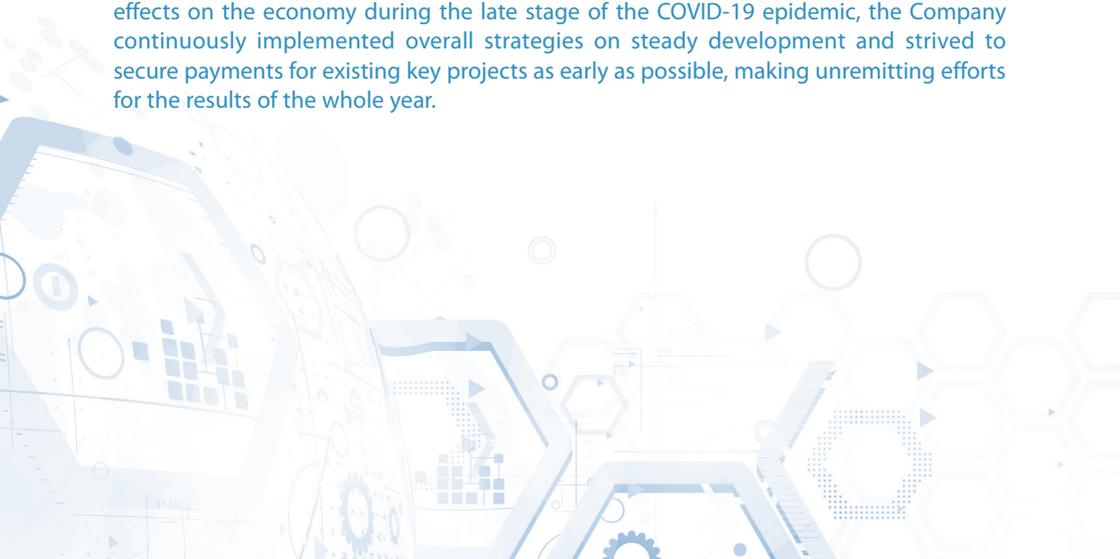
FINANCIAL REVIEW

The consolidated turnover of the Group for the three months and nine months ended 30 September 2023 was RMB1,435,000 and RMB71,370,000, representing a decrease of approximately RMB22,066,000 or approximately 93.9% and RMB131,166,000 or approximately 64.8%, respectively, as compared with the corresponding periods of last year. The decrease was mainly due to the severe impacts on the projects operated and undertaken by the Company and its subsidiaries during the late stage of the COVID-19 epidemic.

For the three months and nine months ended 30 September 2023, loss attributable to owners of the Company was approximately RMB4,106,000 and RMB14,227,000 respectively, representing a decrease in loss of approximately RMB985,000 or approximately 19.4% and RMB4,609,000 or approximately 24.5% respectively as compared with the corresponding periods of last year. The decrease was mainly due to the decline in consolidated turnover and the management's tightened control over operating and management expenses.

BUSINESS REVIEW

Since the third quarter of 2023, China's economy has maintained trends of steady recovery in general and steadily moved forward in the fourth quarter, laying a solid foundation for the stable development of the whole year. While overcoming the adverse effects on the economy during the late stage of the COVID-19 epidemic, the Company continuously implemented overall strategies on steady development and strived to secure payments for existing key projects as early as possible, making unremitting efforts for the results of the whole year.



Intelligent Transportation

Jiangsu Changtian Zhiyuan Transportation Technology Company Limited (“**Changtian Zhiyuan**”), a majority-owned subsidiary of the Company, experienced a business slowdown, which had a significant impact on its results for the third quarter. Changtian Zhiyuan continued to tackle the challenges it faced and made active efforts to analyze and study the direction of business development under the current situation, planning and preparing for business innovation in the new year. Meanwhile, it focused on promoting the acceptance and settlement for previous projects, urged project teams to continuously optimize debt collection procedures, strengthened communication with existing customers, and promoted the progress of project settlement, with a view to boosting its annual results.

Smart Education

During the period, Jiangsu Zhiya Online Education Technology Ltd. (“**Zhiya Online**”), a majority-owned subsidiary of the Company, continued to concentrate on the platform operations of the Changzhou Science and Education Town, studied and expanded cooperation in in-service and online education and focused on strengthening the development of new products to meet actual demands of more enterprises and vocational colleges. Zhiya Online continued to tap into the platform functions of the Changzhou Science and Education Town and enhanced the integration of resources with vocational colleges in and outside Jiangsu Province to tailor more diversified and distinctive online professional courses for higher vocational colleges in the province. Besides, Zhiya Online continued to strengthen technological iterations, and made use of artificial intelligence, VR and other technologies to enhance the interactive teaching experience of remote courses, which has received positive market feedback.



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 and recorded rapid business growth in the third quarter of the year. Nanjing Zhonggao proactively engaged with and provided customized services to offline entities by reference to online demand. In particular, it provided directed patent application, qualification application, technology commercialization consulting and other value-added services for key clients such as Jiangsu Huizetong Environmental Technology Company Limited (江蘇匯澤通環境科技有限公司), Nanjing Danlian Technology Company Limited (南京丹聯科技有限公司), and Ningxia Rongshang Trading Company Limited (寧夏榮尚商貿有限公司), which represented its new exploration of the business extension. During the period, Nanjing Zhonggao focused on strengthening the research and development of products for both the government end and the college end and improving product indicators and user experience, so as to more accurately cater to user needs and more effectively connect the expert pool with market demands. In order to enhance business turnover for the year, Nanjing Zhonggao has sped up the commissioned service project in relation to patent data and application services for the Science and Technology Resources Coordination Service Center of Jiangsu Province, which is led by the company and is expected to complete the acceptance this quarter.

PROSPECTS

Looking ahead, China’s economy as a whole will continue its upward trend with increasingly stronger momentum, demonstrating its dynamics and resilience. With increasing certainties in stable economic recovery, enterprises will embrace more new opportunities for business development.

As a player in the Internet industry, the Company will continue to put more effort on study and analysis of latest economic situation, refine its existing intelligent platform operations, enhance professional capabilities, further develop its existing business segments, and explore more potential development opportunities amid ongoing steady economic recovery, so as to open up a broader space for corporate development.



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

As at 30 September 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 share capital	Percentage of deemed beneficial interest in the Company's H share capital	Percentage of deemed beneficial interest in the Company's total share capital
				(Note 1)	(Note 1)	(Note 1)
Mr. Zhu Yong Ning	Interest of controlled corporation	102,597,967	-	29.49% (Note 2)	-	24.96%

Notes:

- (1) As at 30 September 2023, the Company had 347,850,000 domestic shares and 63,150,000 H shares in issue, 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 September 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 nine months ended 30 September 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 September 2023, the following interests and short positions of 5% or more in 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 required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

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	10,525,000	16.67%

Notes:

- (1) As at 30 September 2023, the Company had 347,850,000 domestic shares and 63,150,000 H shares in issue, 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.
- (3) Fuji Investment Company Limited and Oriental Petroleum (Yangtze) Limited were controlled by the same shareholder.

Save as disclosed above, as at 30 September 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 nine months ended 30 September 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 September 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, which currently comprises three independent non-executive directors, namely, Mr. Zhou Mei Lin, Mr. Zhang Zheng Tang and Ms. Xu Xiao Qin. The primary duties of the audit committee are to review and provide supervision over the financial reporting, risk management and internal control systems of the Group. The audit committee has reviewed the third quarterly results announcement and third quarterly report for the nine months ended 30 September 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 nine months ended 30 September 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, 10 November 2023

* For identification purpose only