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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)

PROPOSED SPECIFIC MANDATE TO ISSUE NEW DOMESTIC SHARES

The Company and the Subscriber entered into the conditional Share Subscription Agreement on 16 January 2015, whereby the Company has conditionally agreed to allot and issue 163,800,000 Subscription Shares to the Subscriber at a price of RMB0.28 (equivalent to approximately HK\$0.35 ^{note}) per Subscription Share.

An EGM and Class Meetings will be convened for the Shareholders to consider, and if thought fit, approve the proposed specific mandate to allot and issue the Subscription Shares to the Subscriber pursuant to the terms of the Share Subscription Agreement. A circular containing, amongst others, details of the aforesaid proposed specific mandate, together with notices convening the EGM and the Class Meetings will be despatched to the Shareholders as soon as practicable.

Since completion of the Subscription is subject to the satisfaction of the conditions precedent set out in the Share Subscription Agreement (including without limitation the Shareholders' approval at the EGM and the Class Meetings), the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

I. BACKGROUND

The Company entered into the conditional Share Subscription Agreement with the Subscriber on 16 January 2015, whereby the Company has conditionally agreed to allot and issue 163,800,000 Subscription Shares to the Subscriber at a price of RMB0.28 (equivalent to approximately HK\$0.35 ^{note}) per Subscription Share.

II. THE SHARE SUBSCRIPTION AGREEMENT

Date

16 January 2015

Parties

- (i) The Company (as issuer)
- (ii) The Subscriber (as subscriber)

Subscriber

The Subscriber is a limited liability company incorporated under the laws of the PRC which is principally engaged in the businesses of research and development, manufacture and sale of electrical equipment, and enterprise investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are independent of the Company and its connected persons as defined under the GEM Listing Rules.

Subscription Shares

163,800,000 Subscription Shares shall be allotted and issued by the Company to the Subscriber, which represent (assuming that no further Shares will be issued or repurchased before completion of the Subscription):—

- (i) 20% of the existing issued Domestic Shares;
- (ii) approximately 13.21% of the entire existing issued share capital of the Company (comprising Domestic Shares and H Shares);
- (iii) approximately 16.67% of the issued Domestic Shares as enlarged by the allotment and issuance of the Subscription Shares; and
- (iv) approximately 11.67% of the entire issued share capital of the Company (comprising Domestic Shares and H Shares) as enlarged by the allotment and issuance of the Subscription Shares.

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Domestic Shares in issue on the date of allotment and issuance of the Subscription Shares.

On a side note, reference is made to the announcement of the Company on 26 November 2014. The Board has proposed to place, through a placing agent, up to 84,200,000 new H Shares, which will be allotted and issued under the General Mandate (“**Placing of H Shares under General Mandate**”). As mentioned in the said announcement, the proposed Placing of H Shares under General Mandate is subject to, amongst others, the conclusion of a placing agreement to be entered into between the Company and the selected placing agent, the Company having obtained all necessary PRC regulatory approvals (including without limitation the approval from the CSRC), and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the placing shares. The Company has been actively seeking implementation of the proposed Placing of H Shares under General Mandate. The Company is currently in negotiation with the prospective placing agent on the conclusion of the relevant placing agreement, and in the process of applying for the necessary PRC regulatory approvals. As at the date of this announcement, the proposed Placing of H Shares under General Mandate is yet to materialize.

Assuming full implementation of the proposed Placing of H Shares under General Mandate thereby giving rise to the creation of 84,200,000 new H Shares and that no further Shares will be issued or repurchased, the 163,800,000 Subscription Shares to be allotted and issued under the Share Subscription Agreement would then represent:-

- (i) 20% of the existing issued Domestic Shares;
- (ii) approximately 13.21% of the entire existing issued share capital of the Company (comprising Domestic Shares and H Shares);
- (iii) approximately 16.67% of the issued Domestic Shares as enlarged by the allotment and issuance of the Subscription Shares; and
- (iv) approximately 11.01% of the entire issued share capital of the Company (comprising Domestic Shares and H Shares) as enlarged by the allotment and issuance of the Subscription Shares and the 84,200,000 new H Shares under the Placing of H Shares under General Mandate.

Subscription price

The subscription price is RMB0.28 (equivalent to approximately HK\$0.35 ^{note}) per Subscription Share, making up RMB45,864,000 (equivalent to approximately HK\$57,330,000 ^{note}) in total for the 163,800,000 Subscription Shares.

The subscription price was arrived at after arm’s length negotiations between the Company and the Subscriber with reference to, amongst others, the nominal value of the Shares (being RMB0.10 per Share) and the prevailing market price of the H Shares.

The subscription price of RMB0.28 (equivalent to approximately HK\$0.35 ^{note}) per Subscription Share represents:

- (i) a premium of approximately 6.06% to the average closing price of approximately HK\$0.33 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to the date of the Share Subscription Agreement;
- (ii) a premium of approximately 16.67% to the average closing price of approximately HK\$0.30 per H Share as quoted on the Stock Exchange for the last 20 consecutive trading days prior to the date of the Share Subscription Agreement; and
- (iii) a premium of approximately 20.69% to the average closing price of approximately HK\$0.29 per H Share as quoted on the Stock Exchange for the last 30 consecutive trading days prior to the date of the Share Subscription Agreement.

Conditions precedent

Completion of the Subscription is conditional upon full payment of the subscription price for the Subscription Shares by the Subscriber in cash by depositing the same into the Company's designated account within 5 working days upon the Share Subscription Agreement becoming effective (NB: the payment will undergo capital verification procedures).

According to the terms of the Share Subscription Agreement, it shall become effective upon due execution of the same by the Company and the Subscriber, and the Company having obtained all necessary consents and approvals required for the Subscription from the Shareholders at the EGM and the Class Meetings and from the CSRC (if applicable). The Subscription has been approved by the Board at the Board meeting held on 16 January 2015 prior to execution of the Share Subscription Agreement. As confirmed by the PRC legal advisors to the Company, the Subscription does not require consent or approval from the CSRC. As such, the Share Subscription Agreement will become effective upon approval for the Subscription having been obtained from the Shareholders at the EGM and the Class Meetings to be convened for this purpose in due course.

Upon full payment of the subscription price by the Subscriber, the Company shall attend to the requisite formalities to register the Subscriber as holder of the Subscription Shares. Registration of the Subscriber as holder of the Subscription Shares denotes completion of the Subscription.

Lock-up arrangement

The Subscriber must not transfer the Subscription Shares that it subscribes for under the Share Subscription Agreement within 12 months from the date of completion of the Subscription.

III. REASONS FOR THE SUBSCRIPTION

The Directors (including the independent non-executive Directors) consider that, notwithstanding that the Subscription will result in the dilution of the existing shareholding interest of the Shareholders, the Subscription represents an opportunity to raise additional capital for the Group to enhance its general working capital base for developing its existing businesses and preparing itself to take up investment opportunities in the future with readily available funds, which is in the interests of the Group and the Shareholders as a whole.

The proceeds raised from the Subscription are intended to be used as general working capital of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Subscription Agreement are fair and reasonable based on the current market conditions, and that the Subscription is in the interests of the Group and the Shareholders as a whole.

IV. PROPOSED SPECIFIC MANDATE

Reference is made to the announcements of the Company dated 13 August 2014 and 17 November 2014 in relation to the allotment and issuance of a total of 136,000,000 new Domestic Shares under the General Mandate. Given that the General Mandate as to Domestic Shares has almost been fully exhausted, and that the unutilized part is insufficient to support the current Subscription, it is therefore required to obtain the Shareholders' specific mandate to effect the Subscription.

In this connection, an EGM and Class Meetings will be convened for the Shareholders to consider, and if thought fit, approve the proposed specific mandate to allot and issue the Subscription Shares to the Subscriber pursuant to the terms of the Share Subscription Agreement. A circular containing, amongst others, details of the aforesaid proposed specific mandate, together with notices convening the EGM and the Class Meetings will be despatched to the Shareholders as soon as practicable.

V. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Subscription, assuming that all of the 163,800,000 Subscription Shares will be subscribed in full and no further Shares will be issued or repurchased before completion of the Subscription, save and except for the 84,200,000 new H Shares contemplated under the Placing of H Shares under General Mandate:–

	As at the date of this announcement			Upon completion of the Subscription			Upon completion of the Subscription and the Placing of H Shares under General Mandate (on full implementation basis)		
	Number of Shares	Approximate % of issued Shares in the same class	Approximate % of entire issued Shares	Number of Shares	Approximate % of issued Shares in the same class	Approximate % of entire issued Shares	Number of Shares	Approximate % of issued Shares in the same class	Approximate % of entire issued Shares
Domestic Shares									
Nanjing University Asset Administration Company Limited* 南京大學資產經營有限公司	127,848,097	15.61%	10.31%	127,848,097	13.01%	9.11%	127,848,097	13.01%	8.59%
Zhongchuang Baoying (Beijing) Investment Fund Management Company Limited* 中創寶盈(北京)投資基金管理有限公司	121,000,000	14.77%	9.76%	121,000,000	12.31%	8.62%	121,000,000	12.31%	8.13%
Beijing Chang Tian Guosheng Investment Co., Ltd.* 北京長天國盛投資有限公司	100,000,000	12.21%	8.06%	100,000,000	10.18%	7.12%	100,000,000	10.18%	6.72%
Shenyang Cheng Fa Commercial Software Company Limited* 瀋陽成發商用軟件有限公司	85,000,000	10.38%	6.85%	85,000,000	8.65%	6.05%	85,000,000	8.65%	5.71%
Jiangsu Co-Creation Education Development Limited* 江蘇省共創教育發展有限公司	84,159,944	10.28%	6.79%	84,159,944	8.56%	6.00%	84,159,944	8.56%	5.66%
Shanghai Shiyuan Network Technology Company Limited* 上海世源網絡科技有限公司	55,000,000	6.72%	4.44%	55,000,000	5.60%	3.92%	55,000,000	5.60%	3.70%
Guangzhou DingXiang Trade Co., Ltd.* 廣州市鼎翔貿易有限公司	50,000,000	6.11%	4.03%	50,000,000	5.09%	3.56%	50,000,000	5.09%	3.36%
Jiangsu Provincial IT Industrial Investment Company Limited* 江蘇高科技投資集團有限公司	43,931,959	5.36%	3.54%	43,931,959	4.47%	3.13%	43,931,959	4.47%	2.95%
The Subscriber	–	–	–	163,800,000	16.67%	11.67%	163,800,000	16.67%	11.01%
Others	152,060,000	18.57%	12.26%	152,060,000	15.47%	10.83%	152,060,000	15.47%	10.22%
SUB-TOTAL	819,000,000	100%	66.05%	982,800,000	100%	70.01%	982,800,000	100%	66.05%
H Shares									
Public Shareholders	421,000,000	100%	33.95%	421,000,000	100%	29.99%	421,000,000	83.33%	28.29%
Places in the Placing of H Shares under General Mandate	–	–	–	–	–	–	84,200,000	16.67%	5.66%
SUB-TOTAL	421,000,000	100%	33.95%	421,000,000	100%	29.99%	505,200,000	100%	33.95%
TOTAL	1,240,000,000	–	100%	1,403,800,000	–	100%	1,488,000,000	–	100%

VI. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has raised RMB27,200,000 from its recent placing of 136,000,000 new Domestic Shares under the General Mandate, completion of which took place on 17 November 2014. Apart therefrom and the proposed Placing of H Shares under General Mandate as mentioned above under the section headed “II. The Share Subscription Agreement – Subscription Shares” (which is yet to materialize), the Company has not conducted any equity fund raising activity or any issue of equity securities in the 12 months preceding the date of this announcement.

Furthermore, the Company has not repurchased any Shares within the last 12 months prior to the date of this announcement.

Since completion of the Subscription is subject to the satisfaction of the conditions precedent set out in the Share Subscription Agreement (including without limitation the Shareholders’ approval at the EGM and the Class Meetings), the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

VII. DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	means the board of Directors;
“Class Meetings”	means meeting of Shareholders in the class of Domestic Shares and that of Shareholders in the class of H Shares;
“Company”	means 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 PRC and whose H Shares are listed on the GEM (stock code: 8045);
“CSRC”	means China Securities Regulatory Commission;
“Director(s)”	means the director(s) of the Company;
“Domestic Share(s)”	means the ordinary domestic share(s) of nominal value of RMB0.10 each in the registered capital of the Company which are subscribed for in RMB;
“EGM”	means extraordinary general meeting of the Company;

“GEM”	means the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM;
“General Mandate”	means the general mandate granted to the Board by the Shareholders by special resolution passed at the annual general meeting of the Company held on 27 June 2014 to allot, issue or otherwise deal with new Shares;
“Group”	means the Company and its subsidiaries;
“H Share(s)”	means the overseas listed foreign invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in Hong Kong dollars;
“Hong Kong”	means The Hong Kong Special Administrative Region of the PRC;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Last Trading Day”	means 15 January 2015, being the last trading day of the H Shares on the Stock Exchange prior to the date of the Share Subscription Agreement;
“Placing of H Shares under General Mandate”	means the proposed placing, through a placing agent, of up to 84,200,000 new H Shares (which will be allotted and issued under the General Mandate) as announced by the Company on 26 November 2014;
“PRC”	means the People’s Republic of China which excludes Hong Kong and Macau Special Administrative Regions for the purpose of this announcement;
“RMB”	means Renminbi yuan, the lawful currency of the PRC;
“Share(s)”	means Domestic Share(s) and/or H Share(s);
“Shareholder(s)”	means holder(s) of Domestic Share(s) or H Share(s);
“Share Subscription Agreement”	means the agreement entered into between the Company and the Subscriber in relation to the Subscription;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;

“Subscriber”	means Jiangsu Keneng Electricity Technology Co., Ltd.* 江蘇科能電力科技股份有限公司, a limited liability company incorporated under the laws of the PRC;
“Subscription”	means the subscription of the Subscription Shares by the Subscriber pursuant to the Share Subscription Agreement;
“Subscription Shares”	means the new Domestic Shares to be allotted and issued pursuant to the Share Subscription Agreement; and
“%”	means per cent.

Note:

For the purpose of this announcement, all figures in HK\$ are calculated based on the exchange rate of RMB0.78918 to HK\$1.00 as quoted by The People’s Bank of China as at the Last Trading Day.

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
Liu Jian (alias, Liu Jian Bang)
Chairman

Nanjing, the PRC, 16 January 2015

As at the date of this announcement, the Board comprises eight Directors, of which two are executive Director, namely Mr. LIU Jian (alias, LIU Jian Bang) and Mr. QIAO Ruo Gu, three are non-executive Directors, namely Mr. WONG Wei Khin, Mr. GAO Peng and Mr. WANG Da Ming, and three are independent non-executive Directors, namely Dr. LI Daxi, Ms. XIE Hong and Mr. XIE Man Lin.

This announcement, 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 announcement 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 announcement misleading; and (iii) all opinions expressed in this announcement (if any) have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

* for identification purpose only