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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)

ANNOUNCEMENT ON

- (1) PROPOSED CAPITAL REORGANISATION;**
- (2) PROPOSED CHANGE IN BOARD LOT SIZE;**
- (3) PROPOSED PLACING OF NEW CONSOLIDATED H SHARES UNDER SPECIFIC MANDATE; AND**
- (4) PROPOSED AMENDMENT TO ARTICLES**

Placing Agent



Yuet Sheung International Securities Limited

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation and the Capital Reduction, details of which are as follows:

(i) Share Consolidation

The Company proposes to implement the Share Consolidation on the basis that every eight (8) Existing Domestic Shares of nominal value of RMB0.10 each be consolidated into one (1) Consolidated Domestic Share of nominal value of RMB0.80 each; and every eight (8) Existing H Shares of nominal value of RMB0.10 each be consolidated into one (1) Consolidated H Share of nominal value of RMB0.80 each.

(ii) Capital Reduction

Immediately following the Share Consolidation, the registered capital of the Company is proposed to be reduced by a reduction of the nominal value of each Consolidated Domestic Share and each Consolidated H Share from RMB0.80 to RMB0.10, such reduction will comprise a cancellation of the registered capital of the Company to the extent of RMB0.70 per Consolidated Domestic Share and Consolidated H Share respectively so that each Consolidated Domestic Share and each Consolidated H Share shall be of nominal value of RMB0.10 in the share capital of the Company immediately following the Capital Reduction. The credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company for use by the Directors in any manner permitted by the laws of the PRC and the Articles.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing H Shares are traded in board lots of 6,000 Existing H Shares. Conditional upon the Capital Reorganisation becoming effective, the Board also proposes to change the board lot size for trading on the Stock Exchange from 6,000 Existing H Shares to 12,000 Consolidated H Shares.

PROPOSED PLACING

On 8 March 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure placees, on a best effort basis, to subscribe for up to 389,000,000 new Consolidated H Shares at the Placing Price of HK\$0.360 per Placing Share. The Placing is subject to various conditions set out below under the heading “Conditions precedent to the Placing”.

The Placing Shares represent (i) approximately 615.99% and 94.65% respectively of the total number of issued Consolidated H Shares and the total number of the issued consolidated share capital (comprising Consolidated H Shares and Consolidated Domestic Shares) of the Company immediately after the Capital Reorganisation becoming effective, assuming that no further shares will be issued in or repurchased by the Company before completion of the Placing; and (ii) assuming that the Placing Shares will be fully placed under the Placing, approximately 86.03% and 48.63% respectively of the total number of issued Consolidated H Shares and the total number of the issued consolidated share capital (comprising Consolidated H Shares and Consolidated Domestic Shares) of the Company as enlarged by the allotment and issue of the Placing Shares, subject to completion of the Placing.

The Placing Shares will be allotted and issued under the specific mandate to allot and issue the Placing Shares by a special resolution to be proposed for passing by the Shareholders at the GM and the Class Meetings respectively.

PROPOSED AMENDMENT TO ARTICLES

Subject to the passing of the special resolutions approving the proposed Capital Reorganisation and the proposed specific mandate in respect of the Placing at the GM and the Class Meetings, the Board further proposes to seek approval of the Shareholders by way of special resolution at the GM to authorise the Board to amend clause 20 of the Articles (which specifies the amount of the Company's registered capital) in such manner as it is necessary to increase the registered capital of the Company and reflect its new capital structure necessitated by/consequent on the allotment and issuance of the Placing Shares.

GENERAL

A circular containing, among other things, (i) details of the Capital Reorganisation, the Change in Board Lot Size and the Placing; (ii) the amendment to the Articles as proposed above; and (iii) notices convening the GM and the Class Meetings, will be dispatched to the Shareholders as soon as practicable.

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation which will involve the Share Consolidation and the Capital Reduction, details of which are as follows:

(i) Share Consolidation

The Company proposes to implement the Share Consolidation on the basis that every eight (8) Existing Domestic Shares of nominal value of RMB0.10 each be consolidated into one (1) Consolidated Domestic Share of nominal value of RMB0.80 each; and every eight (8) Existing H Shares of nominal value of RMB0.10 each be consolidated into one (1) Consolidated H Share of nominal value of RMB0.80 each.

(ii) Capital Reduction

Immediately following the Share Consolidation, the registered capital of the Company is proposed to be reduced by a reduction of the nominal value of each Consolidated Domestic Share and each Consolidated H Share from RMB0.80 to RMB0.10, such reduction will comprise a cancellation of the registered capital of the Company to the extent of RMB0.70 per Consolidated Domestic Share and Consolidated H Share respectively so that each Consolidated Domestic Share and each Consolidated H Share shall be of nominal value of RMB0.10 in the share capital of the Company immediately following the Capital Reduction. The credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company for use by the Directors in any manner permitted by the laws of the PRC and the Articles.

Conditions precedent to the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of the special resolution by the Shareholders at the GM and the Class Meetings respectively approving the Capital Reorganisation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated H Shares upon the Capital Reorganisation becoming effective; and
- (iii) all necessary pre-requisite legal and regulatory authorizations, permissions, approvals, consents, filings, notifications, publications and registrations (including without limitation the registration with relevant PRC authority(ies)) to effect the Capital Reorganisation as a whole having been obtained or fulfilled.

For the avoidance of doubt, the Shareholders' approval for the Capital Reorganisation (comprising the Share Consolidation and the Capital Reduction) will be proposed in one resolution to the Shareholders at the GM and the Class Meetings respectively. In the event that any of the conditions precedent to the implementation of the Capital Reorganisation is not fulfilled, none of the Share Consolidation, the Capital Reduction, and hence the Change in Board Lot Size, will take effect.

Subject to the above conditions, the Capital Reorganisation is expected to become effective on the second Business Day immediately following the fulfilment of all the relevant conditions stated above.

Effects

As at the date of this announcement, the registered share capital of the Company is comprised of (i) 2,782,800,000 Existing Domestic Shares of nominal value of RMB0.10 each; and (ii) 505,200,000 Existing H Shares of nominal value of RMB0.10 each, all of which are in issue. Assuming there will be no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation, the registered share capital of the Company immediately upon the Share Consolidation becoming effective will comprise of (i) 347,850,000 Consolidated Domestic Shares of nominal value of RMB0.80 each; and (ii) 63,150,000 Consolidated H Shares of nominal value of RMB0.80 each, all of which will be in issue; and the registered share capital of the Company immediately upon the Capital Reorganisation becoming effective as a whole will comprise of (i) 347,850,000 Consolidated Domestic Shares of nominal value of RMB0.10 each; and (ii) 63,150,000 Consolidated H Shares of nominal value of RMB0.10 each, all of which will be in issue.

As at the date of this announcement, the Company does not have any outstanding options, warrants or securities in issue which are convertible or exchangeable into the shares of the Company. Assuming no further shares will be issued or repurchased by the Company prior to the effective date of the Capital Reorganisation, the effect of the Capital Reorganisation and the share capital structure of the Company is summarised below:

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective	Immediately upon the Capital Reorganisation as a whole becoming effective
Nominal value per share of the Company	(i) RMB0.10 per Existing Domestic Share	(i) RMB0.80 per Consolidated Domestic Share	(i) RMB0.10 per Consolidated Domestic Share
	and	and	and
	(ii) RMB0.10 per Existing H Share	(ii) RMB0.80 per Consolidated H Share	(ii) RMB0.10 per Consolidated H Share
Registered and issued share capital	(i) RMB278,280,000 divided into 2,782,800,000 Existing Domestic Shares	(i) RMB278,280,000 divided into 347,850,000 Consolidated Domestic Shares	(i) RMB34,785,000 divided into 347,850,000 Consolidated Domestic Shares
	and	and	and
	(ii) RMB50,520,000 divided into 505,200,000 Existing H Shares	(ii) RMB50,520,000 divided into 63,150,000 Consolidated H Shares	(ii) RMB6,315,000 divided into 63,150,000 Consolidated H Shares

Upon the Share Consolidation becoming effective, the nominal value of each of the 347,850,000 Consolidated Domestic Shares and 63,150,000 Consolidated H Shares will be reduced from RMB0.80 to RMB0.10 per share by way of the Capital Reduction and a credit in the aggregate sum of RMB287,700,000 will arise as a result of the Capital Reduction. It is proposed that the credit arising in the accounts of the Company from the Capital Reduction will be transferred to the contributed surplus account of the Company, which will be used by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws, the GEM Listing Rules and the Articles.

PROPOSED CHANGE IN BOARD LOT SIZE

As of the date of this announcement, the Existing H Shares are traded on the Stock Exchange in board lots of 6,000 Existing H Shares. The Company proposes to change the board lot size for trading on the Stock Exchange from 6,000 Existing H Shares to 12,000 Consolidated H Shares conditional upon the Capital Reorganisation becoming effective. Based on the closing price of HK\$0.045 per Existing H Share (equivalent to the theoretical closing price of HK\$0.360 per Consolidated H Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 12,000 Consolidated H Shares, assuming the Capital Reorganisation as a whole had already become effective, would be HK\$4,320. The Change in Board Lot Size will not, by itself, affect any of the rights of the Shareholders save otherwise disclosed herein. From the date on which dealing in Consolidated H Shares in issue commences (which is expected to be 13 July 2022 (Wednesday)), new share certificates of the Consolidated H Shares will be issued in board lots of 12,000 Consolidated H Shares each (except for odd lots or where the Company's Hong Kong branch share registrar and transfer office is otherwise instructed).

REASONS FOR THE PROPOSED CAPITAL REORGANISATION AND THE PROPOSED CHANGE IN BOARD LOT SIZE

The closing price per Existing H Share as quoted on the Stock Exchange on the date of this announcement was HK\$0.045. Further, the Existing H Shares have been traded predominantly below HK\$0.10 per share for more than two years prior to the date of this announcement. Under Rule 17.76 of the GEM Listing Rules, where the trading price of the securities of an issuer approaches the extremities of HK\$0.01 (which the Stock Exchange considers to be any trading price less than HK\$0.10), the issuer may be required either to change the trading method or to proceed with a consolidation or subdivision of its securities. The Share Consolidation ratio of every 8 Existing Shares into 1 Consolidated Share was arrived at after considering (i) the theoretical closing price per Consolidated H Share of HK\$0.360 (based on the closing price of HK\$0.045 per Existing H Share as quoted on the Stock Exchange as at the date of this announcement) upon the Capital Reorganisation taking effect being in compliance with the requirement under Rule 17.76 of the GEM Listing Rules; and (ii) that the total number of Existing Shares in issue prior to the Capital Reorganisation, being 3,288,000,000 Existing Shares, is wholly divisible by eight without resulting in fractional shares and that based on the register of interests kept by the Company the Capital Reorganisation would result in minimized odd lots and fractional entitlements of Shareholders. It is expected that the Share Consolidation under the Capital Reorganisation and the Change in Board Lot Size would bring about a corresponding upward adjustment in the trading price of the Consolidated H Shares on the Stock Exchange and therefore comply with the trading requirements under the GEM Listing Rules.

The theoretical value of each board lot of the Consolidated H Shares after the Capital Reorganisation and the Change in Board Lot Size have become effective, calculated with reference to the closing price of each Existing H Share as of the date of this announcement, will be HK\$4,320 which is over HK\$2,000 (being the minimum transaction costs for a securities trade), while not making the cost for each board lot too high.

Further, the Company is prohibited from issuing new shares at below their nominal value under the relevant laws of the PRC. In view of the prevailing trading price of the Existing H Shares, including that the Existing H Shares have been traded below their nominal value for more than two years, the Board further proposes to implement the Capital Reduction as part of the Capital Reorganisation. The Capital Reduction will have the effect of reducing the nominal value of the Consolidated H Shares (together with the Consolidated Domestic Shares) which will give the Company the ability to execute the Placing in accordance with the relevant PRC laws at the Placing Price of HK\$0.360 per Consolidated H Share (which is above its nominal value upon completion of the Capital Reorganisation) and greater flexibility in pricing other future capital raising exercise.

Accordingly, the Board considers that the proposed Capital Reorganisation comprising (i) the Share Consolidation of every eight (8) Existing Domestic Shares into one (1) Consolidated Domestic Share and every eight (8) Existing H Shares into one (1) Consolidated H Share; and (ii) the Capital Reduction in respect of the nominal value of each Consolidated Domestic Share and each Consolidated H Share, together with the Change in Board Lot Size, is the most feasible method in the interests of the Company and the Shareholders as a whole to address the Company's compliance with the relevant laws and the GEM Listing Rules and fundraising needs.

Other than the relevant expenses (including but not limited to professional fees and printing charges, incurred or to be incurred), which are estimated to be approximately HK\$1,500,000, the implementation of the Capital Reorganisation together with the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Capital Reorganisation together with the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group.

The Board considers that the proposed Capital Reorganisation and Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save for the Placing, the Company does not have any plan and has not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company's shares in the next 12 months from the date of this announcement.

OTHER ARRANGEMENTS

Status of the Consolidated Domestic Shares

All Consolidated Domestic Shares immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders, save for any fractional Consolidated Domestic Shares to which the Shareholders may be entitled.

Fractional entitlement to the Consolidated Domestic Shares

Upon the Capital Reorganisation becoming effective, fractional Consolidated Domestic Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Domestic Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Domestic Shares will only arise in respect of the entire shareholding of a holder of Consolidated Domestic Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on fractional entitlements are recommended to consult their licensed securities dealer, bank manager, lawyer, professional accountant or other professional adviser (as appropriate) and may wish to consider the possibility of buying or selling Existing Domestic Shares in a number sufficient to eliminate fractional entitlements and make up an entitlement to receive a whole number of Consolidated Domestic Shares.

Registration with authority

Upon the Capital Reorganisation becoming effective, the Company will conduct the necessary registration and filing procedures and formalities with the China Securities Depository and Clearing Corporation Limited for the deposit, clearance and settlement of the Consolidated Domestic Shares.

Status of the Consolidated H Shares

All Consolidated H Shares immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other. The Capital Reorganisation and the Change in Board Lot Size will not by themselves result in any change in the relative rights of the Shareholders, save for any fractional Consolidated H Shares to which the Shareholders may be entitled.

Fractional entitlement to the Consolidated H Shares

Upon the Capital Reorganisation becoming effective, fractional Consolidated H Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated H Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated H Shares will only arise in respect of the entire shareholding of a holder of Consolidated H Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on fractional entitlements are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing H Shares in a number sufficient to eliminate fractional entitlements and make up an entitlement to receive a whole number of Consolidated H Shares.

Listing application

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated H Shares arising from the Capital Reorganisation.

Subject to the granting of listing of, and permission to deal in, such Consolidated H Shares on the Stock Exchange, such Consolidated H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in such Consolidated H Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Such Consolidated H Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for such Consolidated H Shares to be admitted into CCASS.

Other than the Stock Exchange, there is no other stock exchange on which any part of the equity or debt securities of the Company is listed or dealt or on which listing or permission to deal is being or proposed to be sought.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated H Shares, the Company will appoint a securities firm to provide matching services on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated H Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated H Shares. Details of the odd lot matching arrangements will be set out in the circular in relation to, *inter alia*, the Capital Reorganisation and the Change in Board Lot Size to be dispatched to the Shareholders.

Holders of odd lots of the Consolidated H Shares should note that the matching of the sale and purchase of odd lots of such shares is not guaranteed.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is expected to be on 13 July 2022 (Wednesday), the Existing Share Certificates will cease to be valid for trading purposes after 4:10 p.m. on 16 August 2022 (Tuesday). Shareholders may on or after 13 July 2022 (Wednesday) and until 4:30 p.m. on 18 August 2022 (Thursday) (both days inclusive) submit their Existing Share Certificate(s) to the Company's Hong Kong branch share registrar and transfer office, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in exchange for New Share Certificates at the expense of the Company. Thereafter, the Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) for each New Share Certificate or each Existing Share Certificate submitted for cancellation, whichever the number of certificates issued or cancelled is higher. After 4:30 p.m. on 18 August 2022 (Thursday), the Existing Share Certificate(s) will continue to be good evidence of legal title and may be exchanged for New Share Certificate(s) at any time but will not be valid for delivery, trading, settlement and registration purposes.

The colour of the New Share Certificates will be announced by the Company in the circular in relation to, *inter alia*, the Capital Reorganisation and the Change in Board Lot Size to be dispatched to the Shareholders.

EXPECTED TIMETABLE

The expected timetable for implementation of the Capital Reorganisation and the Change in Board Lot Size is as follows:

Event	Time and date
Dispatch of the Company's circular with notice of GM and Class Meetings and forms of proxy	Thursday, 14 April 2022
Latest time for lodging transfer of the Existing Domestic Shares and Existing H Shares in order to qualify for attending and voting at the GM and the Class Meetings	4:30 p.m. on Wednesday, 4 May 2022
Register of members of the Company closed.	From Thursday, 5 May 2022 to Friday, 13 May 2022 (both days inclusive)
Latest time and date for lodging forms of proxy for the GM and the Class Meetings (not less than 24 hours prior to the time of the respective meetings).	10:00 a.m. on Thursday, 12 May 2022

Event	Time and date
Time and date of the GM and the Class Meetings	On Friday, 13 May 2022 at (i) 10:00 a.m. (for the GM); (ii) 10:30 a.m. or immediately after the GM (for the Class Meeting in respect of the Existing Domestic Shares); and (iii) 11:00 a.m. or immediately after the Class Meeting in respect of the Existing Domestic Shares (for the Class Meeting in respect of the Existing H Shares)
Publication of announcement of poll results of the GM and the Class Meetings	Friday, 13 May 2022
<i>The following events are conditional on the fulfillment of the conditions of the Capital Reorganisation and the Change in Board Lot Size:</i>	
Expected effective date of the Capital Reorganisation.	Wednesday, 13 July 2022
Dealing in Consolidated H Shares commences	9:00 a.m. on Wednesday, 13 July 2022
First day for free exchange of Existing Share Certificates for New Share Certificates.	9:00 a.m. on Wednesday, 13 July 2022
Original counter for trading in Existing H Shares in board lots of 6,000 Existing H Shares (in the form of Existing Share Certificates) temporarily closes	9:00 a.m. on Wednesday, 13 July 2022
Temporary counter for trading in Consolidated H Shares in board lots of 750 Consolidated H Shares (in the form of Existing Share Certificates) opens	9:00 a.m. on Wednesday, 13 July 2022
Original counter for trading in Consolidated H Shares in board lots of 12,000 Consolidated H Shares (in the form of New Share Certificates) re-opens.	9:00 a.m. on Wednesday, 27 July 2022
Parallel trading in Consolidated H Shares (in the form of New Share Certificates and Existing Share Certificates) commences.	9:00 a.m. on Wednesday, 27 July 2022

Event	Time and date
Designated broker starts to stand in the market to provide matching services for odd lot of Consolidated H Shares	9:00 a.m. on Wednesday, 27 July 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated H Shares	4:00 p.m. on Tuesday, 16 August 2022
Temporary counter for trading in Consolidated H Shares in board lots of 750 Consolidated H Shares (in the form of Existing Share Certificates) closes	4:10 p.m. on Tuesday, 16 August 2022
Parallel trading in Consolidated H Shares (in the form of New Share Certificates and Existing Share Certificates) ends	4:10 p.m. on Tuesday, 16 August 2022
Last day for free exchange of Existing Share Certificates for New Share Certificates	4:30 p.m. on Thursday, 18 August 2022

All times and dates in this announcement refer to Hong Kong local times and dates and are subject to the opening hours of the Company's Hong Kong branch share registrar and transfer office. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

PROPOSED PLACING

The Placing Agreement

Date

8 March 2022 (after trading hours)

Parties

Issuer : The Company

Placing Agent : Yuet Sheung International Securities Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing Shares

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to, on a best effort basis, procure places to subscribe for up to 389,000,000 new Consolidated H Shares having an aggregate nominal value of RMB38,900,000 (assuming that the Capital Reorganisation as a whole has become effective) at the Placing Price of HK\$0.360 per Placing Share. The aggregate value of the consideration (i.e. the Placing Price) of the Placing Shares (assuming that they will be fully placed) is HK\$140,040,000 which will be satisfied in cash on the Placing Completion Date.

The Placing Shares represent (i) approximately 615.99% and 94.65% respectively of the total number of issued Consolidated H Shares and the total number of the issued consolidated share capital (comprising Consolidated H Shares and Consolidated Domestic Shares) of the Company immediately after the Capital Reorganisation becoming effective, assuming that no further shares will be issued in or repurchased by the Company before completion of the Placing; and (ii) assuming that the Placing Shares will be fully placed under the Placing, approximately 86.03% and 48.63% respectively of the total number of issued Consolidated H Shares and the total number of the issued consolidated share capital (comprising Consolidated H Shares and Consolidated Domestic Shares) of the Company as enlarged by the allotment and issue of the Placing Shares, subject to completion of the Placing.

Placing Price

The Placing Price of HK\$0.360 per Placing Share (making up to HK\$140,040,000 for all the 389,000,000 Placing Shares, assuming that they are fully placed) represents:

- (i) the equivalent of the theoretical closing price (upon the Capital Reorganisation becoming effective) of HK\$0.360 per Consolidated H Share based on the closing price of HK\$0.045 per Existing H Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 6.25% to the theoretical average closing price (upon the Capital Reorganisation becoming effective) of approximately HK\$0.384 per Consolidated H Share based on the average closing price of approximately HK\$0.048 per Existing H Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to (i) the prevailing market price, and (ii) the requirement under the relevant PRC laws and regulations that the Placing Price shall not be less than the theoretical nominal value per Consolidated H Share (upon the Capital Reorganisation becoming effective) of RMB0.10 (equivalent to approximately HK\$0.12), and was negotiated on an arm's length basis between the Company and the Placing Agent.

The net Placing Price, after deducting placing commission and other fees and expenses, is expected to be approximately HK\$0.356 per Placing Share.

Placing Commission

Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission of (i) 0.5% of the amount which is equal to the Placing Price (per Placing Share) multiplied by the number of the Placing Shares actually placed by the Placing Agent; or (ii) HK\$100,000 regardless of the number of Placing Shares actually placed by the Placing Agent, whichever amount is lower. The commission payable was arrived at after arm's length negotiations between the Company and the Placing Agent.

Placees

The Placing Shares will be placed to placees who (and, where relevant, their respective ultimate beneficial owner(s)), as undertaken by the Placing Agent to the best of its knowledge after making reasonable enquiries before completion of the Placing, will be Independent Third Parties. Upon completion of the Placing, the number of Consolidated H Shares held by members of the public (within the meaning of the GEM Listing Rules) shall constitute at least 25% of the total issued consolidated share capital of the Company (comprising Consolidated Domestic Shares and Consolidated H Shares) in compliance with the requirement of public float under the GEM Listing Rules. In any event, no Placing Shares shall be placed except to such number of placees and in such number of Placing Shares and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in breach by the Company or its directors of any applicable securities laws and regulations.

Conditions precedent to the Placing

Completion of the Placing is conditional upon the fulfillment of the following conditions:

- (i) the passing of the special resolution by the Shareholders at the GM and the Class Meetings respectively approving the Capital Reorganisation and the same becoming effective;
- (ii) the passing of a special resolution by the Shareholders who are entitled to vote and not required to abstain from voting at the GM and the Class Meetings respectively approving the Placing Agreement, the transactions contemplated thereunder and the grant of specific mandate to allot and issue the Placing Shares;
- (iii) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- (iv) all necessary pre-requisite regulatory authorizations, permissions, approvals, consents, filings, notifications and registrations (including without limitation the approval from the China Securities Regulatory Commission) in respect of the Placing having been obtained or satisfied; and
- (v) the Placing Agreement not having been terminated in accordance with its terms.

The Company shall forthwith notify the Placing Agent in writing upon the fulfillment of the conditions (i) to (iv) above and its intended Placing Completion Date. The Placing Agreement shall automatically terminate if the conditions set forth above are not fulfilled by 5:00 p.m. (Hong Kong time) on the Placing Long Stop Date and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach of the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place within 7 Business Days after the day on which all the conditions set out in the paragraph headed “Conditions precedent to the Placing” above have been fulfilled, and before 4:00 p.m. (Hong Kong time) on that day (or such other date and time as may be agreed between the parties to the Placing Agreement in writing).

Termination of the Placing Agreement

Without prejudice to the foregoing, the Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. (Hong Kong time) on the Placing Completion Date if any of the following develops, occurs or comes into force:

- (i) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure to perform any of the Company’s undertakings in the Placing Agreement in any material respect;
- (ii) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable in a material respect to proceed with the Placing;
- (iii) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not of the same kind with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable in a material respect to proceed with the Placing; or
- (iv) any moratorium, suspension or material restriction on trading in shares or securities of the Company generally on the Stock Exchange.

If notice is given pursuant to the termination clause of the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and all obligations of the parties to the Placing Agreement shall cease and terminate and none of the parties shall have any claim against the other save for any antecedent breach of any obligation under the Placing Agreement prior to such termination.

Ranking of Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves, and with the Consolidated H Shares in issue on the date of allotment and issue of the Placing Shares.

Application for Listing

The Company will apply to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activity or any issue of equity securities in the twelve months preceding the date of this announcement.

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

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Capital Reorganisation as a whole becoming effective but before completion of the Placing; and (iii) immediately after completion of the Placing, assuming that all of the 389,000,000 Placing Shares will be placed in full and no further shares in the Company will be issued or repurchased before completion of the Placing:

	As at the date of this announcement			Upon the Capital Reorganisation becoming effective as a whole			Upon completion of the Placing (on a full implementation basis)		
	Number of Existing Shares	Approximate % of issued Existing Shares in the same class	Approximate % of entire Existing Shares	Number of Consolidated Shares	Approximate % of issued Consolidated Shares in the same class	Approximate % of entire issued Consolidated Shares	Number of Consolidated Shares	Approximate % of issued Consolidated Shares in the same class	Approximate % of entire issued Consolidated Shares
Domestic Shares									
Jiangsu Keneng (Note 1)	808,800,000	29.06%	24.60%	101,100,000	29.06%	24.60%	101,100,000	29.06%	12.64%
Anhui Jiuxi	577,592,975	20.75%	17.57%	72,199,122	20.75%	17.57%	72,199,122	20.75%	9.02%
Fuji	240,000,000	8.62%	7.30%	30,000,000	8.62%	7.30%	30,000,000	8.62%	3.75%
Fuchuang	225,000,000	8.09%	6.84%	28,125,000	8.09%	6.84%	28,125,000	8.09%	3.52%
Yuchang	225,000,000	8.09%	6.84%	28,125,000	8.09%	6.84%	28,125,000	8.09%	3.52%
Jiata'er	210,000,000	7.55%	6.39%	26,250,000	7.55%	6.39%	26,250,000	7.55%	3.28%
Other Shareholders	496,407,025	17.84%	15.10%	62,050,878	17.84%	15.10%	62,050,878	17.84%	7.75%
SUB-TOTAL	2,782,800,000	100.00%	84.64%	347,850,000	100.00%	84.64%	347,850,000	100.00%	43.48%
H Shares									
Oriental Petroleum	84,200,000	16.67%	2.56%	10,525,000	16.67%	2.56%	10,525,000	2.33%	1.31%
Other Shareholders	421,000,000	83.33%	12.80%	52,625,000	83.33%	12.80%	52,625,000	11.64%	6.58%
Places in the Placing (Note 2)	-	-	-	-	-	-	389,000,000	86.03%	48.63%
SUB-TOTAL	505,200,000	100.00%	15.36%	63,150,000	100.00%	15.36%	452,150,000	100.00%	56.52%
TOTAL	3,288,000,000		100.00%	411,000,000		100.00%	800,000,000		100.00%

Notes:

- As of the date of this announcement, 808,800,000 Existing Domestic Shares were owned by Jiangsu Keneng of which Mr. Zhu Yong Ning, executive Director and Chairman of the Board, owns directly as to 90% of equity interest.
- The places in the Placing (and, where relevant, their respective ultimate beneficial owner(s)) will be Independent Third Parties.

REASONS FOR AND BENEFITS OF THE PLACING

Reference is made to the announcements dated 27 November 2020, 29 December 2020 and 6 January 2021, and the circular dated 10 December 2020, all issued by the Company, in relation to, *inter alia*, the previous contemplated placing, by the Placing Agent on a best effort basis, of up to 3,000,000,000 new Existing H Shares to be allotted and issued by the Company under specific mandate (“**Previous Placing**”) pursuant to the relevant placing agreement entered into between the Placing Agent and the Company dated 27 November 2020 (“**Previous Placing Agreement**”).

Since the social incidents in Hong Kong in the second half of 2019, followed by the outbreak of the COVID-19 pandemic in early 2020, and the overall economic and social conditions in Hong Kong and Mainland China since late 2019 to date, and that the necessary pre-requisite approval from the China Securities Regulatory Commission for completion of the Previous Placing took considerable time, there was insufficient time for the Placing Agent to procure the relevant places under the Previous Placing Agreement and hence complete the Previous Placing on or before the long stop date for the Previous Placing on 6 January 2021.

In view of the above, the Company entered into the Placing Agreement with the Placing Agent in respect of the Placing on the terms and conditions largely similar to those applicable to the Previous Placing so as to restart the fundraising exercise, as the Group still has the need to raise funds. The Board is of the view that the Placing will help improve the cash flow position of the Group and its gearing ratio by repaying loans and debts of the Group and enhance the capital and shareholders’ base of the Company for developing its existing businesses and preparing itself to take up investment opportunities in the future with readily available funds. Further, upon completion of the Placing, the number of Consolidated H Shares held by members of the public (within the meaning of the GEM Listing Rules) will constitute at least 25% of the total issued consolidated share capital of the Company (comprising Consolidated Domestic Shares and Consolidated H Shares), resulting in the Company being in compliance with the requirement of public float under the GEM Listing Rules.

The Board considers the terms of the Placing Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. In particular, pursuant to the relevant PRC laws and regulations, the Placing Price shall not be less than the theoretical nominal value per Consolidated H Share (upon the Capital Reorganisation becoming effective as a whole). Details of the reasons for and benefits of the Placing shall be elaborated in the circular which will be dispatched to the Shareholders as soon as practicable.

USE OF PROCEEDS

Assuming that the Placing will be on full implementation basis, the Company expects to raise gross proceeds of approximately HK\$140,040,000 from the Placing, and the net proceeds from the Placing are expected to be approximately HK\$138,540,000 (after deducting placing commission and other costs and expenses).

It is the intention of the Company to use the net proceeds raised from the Placing Shares actually placed for the following purposes:

- (i) as to approximately 80% will be used as repayment of loans and debts of the Group; and
- (ii) as to approximately 20% as the reserve fund for working capital of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES FOR THE PLACING

The Placing is subject to the Shareholders' approval. The Placing Shares will be allotted and issued under the specific mandate to allot and issue the Placing Shares by a special resolution to be proposed for approval by the Shareholders at the GM and the Class Meetings respectively.

PROPOSED AMENDMENT TO ARTICLES

Subject to the passing of the special resolution approving the proposed specific mandate in respect of the Placing at the GM and the Class Meetings respectively, the Board further proposes to seek approval of the Shareholders by way of special resolution at the GM to authorise the Board to amend clause 20 of the Articles (which specifies the amount of the Company's registered capital) in such manner as it is necessary to increase the registered capital of the Company and reflect its new capital structure necessitated by/consequent on the allotment and issuance of the Placing Shares.

GM AND CLASS MEETINGS

The GM and the Class Meetings, will be held to, among other purposes, consider and, if thought fit, pass special resolutions to approve (i) the Capital Reorganisation, and the Placing Agreement and the transactions contemplated thereunder, and the grant of specific mandate for the allotment and issue of the Placing Shares; and (ii) (for the GM only) the proposed amendment to clause 20 of the Articles to reflect the latest capital structure of the Company as necessitated by/consequent on the allotment and issuance of the Placing Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Capital Reorganisation, the Placing Agreement, and the proposed amendment to the Articles which is different from that of the other Shareholders. Accordingly, no Shareholder is required to abstain from voting in respect of (i) the resolutions to approve the Capital Reorganisation, and the Placing Agreement and the transactions contemplated thereunder and the grant of specific mandate for the allotment and issue of the Placing Shares at the GM and the Class Meetings respectively; and (ii) the resolution to approve the proposed amendment to the Articles at the GM.

A circular containing, among other things, (i) details of the Capital Reorganisation, the Change in Board Lot Size and the Placing; (ii) the amendment to the Articles as proposed above; and (iii) notices convening the GM and the Class Meetings, will be dispatched to the Shareholders as soon as practicable.

Shareholders and potential investors of the Company should be aware that the credit arising in the accounts of the Company from the Capital Reduction will be subject to change depending on the number of the Consolidated Shares in issue immediately prior to the Capital Reduction becoming effective. Further, completion of the Placing is subject to the various conditions set out under the paragraph headed “Conditions precedent to the Placing” above having been satisfied within the prescribed timeframe. As such, the Placing may or may not materialize. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS AND INTERPRETATIONS

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

“Anhui Jiuxi”	Anhui Jiuxi Industrial Investment Co. Ltd.* 安徽九西實業投資有限公司, a limited company incorporated in the PRC
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Capital Reduction”	the proposed reduction of the registered capital of the Company by reducing the nominal value of each Consolidated Domestic Share and each Consolidated H Share from RMB0.80 to RMB0.10 by way of cancellation of the registered capital of the Company to the extent of RMB0.70 per Consolidated Domestic Share and Consolidated H Share respectively so that each Consolidated Domestic Share and each Consolidated H Share shall be of nominal value of RMB0.10 in the share capital of the Company
“Capital Reorganisation”	collectively, the Share Consolidation and the Capital Reduction
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the shares of the Company for trading on the Stock Exchange from 6,000 Existing H Shares to 12,000 Consolidated H Shares

“Class Meetings”	the class meetings of the holders of Existing Domestic Shares and Existing H Shares respectively to be convened for the purpose of, amongst others, considering and, if thought fit, approving the Capital Reorganisation, and the Placing Agreement and the transactions contemplated thereunder and the grant of specific mandate for the allotment and issue of the Placing Shares
“Company”	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 whose Existing H Shares are listed on GEM (Stock Code: 8045)
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Consolidated Domestic Share(s)”	the ordinary domestic share(s) of nominal value of RMB0.80 (immediately upon the Share Consolidation becoming effective for illustration purpose) or RMB0.10 (immediately upon the Capital Reorganisation as a whole becoming effective) each in the registered capital of the Company which will be subscribed for in RMB
“Consolidated H Share(s)”	the overseas listed foreign invested share(s) of nominal value of RMB0.80 (immediately upon the Share Consolidation becoming effective for illustration purpose) or RMB0.10 (immediately upon the Capital Reorganisation as a whole becoming effective) each in the registered capital of the Company, which will be listed on GEM and subscribed for and traded in HK\$
“Consolidated Share(s)”	Consolidated Domestic Share(s) and/or Consolidated H Share(s)
“Director(s)”	the director(s) of the Company
“Existing Domestic Share(s)”	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 prior to the Capital Reorganisation becoming effective
“Existing H Share(s)”	the overseas listed foreign invested share(s) of nominal value of RMB0.10 each in the registered capital of the Company, which are listed on GEM and subscribed for and traded in HK\$ prior to the Capital Reorganisation becoming effective
“Existing Share(s)”	Existing Domestic Share(s) and/or Existing H Share(s)
“Existing Share Certificate(s)”	certificate(s) for the Existing H Share(s) in issue
“Fuchuang”	Jiangsu Fuchuang Electronic Business Company Limited* 江蘇富創電子商務有限公司, a limited company incorporated in the PRC

“Fuji”	Fuji Investment Company Limited* 福基投資有限公司, a limited company incorporated in the PRC
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GM”	the general meeting of the Company to be convened for the purpose of, amongst others, considering and, if thought fit, approving the Capital Reorganisation, the Placing Agreement and the transactions contemplated thereunder and the grant of specific mandate for the allotment and issue of the Placing Shares, and the proposed amendment to clause 20 of the Articles to reflect the latest capital structure of the Company as necessitated by/consequent on the allotment and issuance of the Placing Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties which are not connected persons of the Group and are independent of the Group and its connected persons
“Jiangsu Keneng”	Jiangsu Keneng Electricity Technology Co., Ltd.* 江蘇科能電力科技股份有限公司, a limited company incorporated in the PRC
“Jiata’er”	Jiata’er (Nanjing) Energy Company Limited* 嘉塔爾(南京)能源有限公司, a limited company incorporated in the PRC
“New Share Certificate(s)”	certificate(s) for Consolidated H Share(s) in issue
“Oriental Petroleum”	Oriental Petroleum (Yangtze) Limited 東華石油(長江)有限公司, a private company limited by shares incorporated in Hong Kong
“Placing”	the placing by the Placing Agent, on a best effort basis, of up to a total of 389,000,000 new Consolidated H Shares to be allotted and issued by the Company pursuant to the terms of the Placing Agreement

“Placing Agent”	Yuet Sheung International Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 8 March 2022 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion Date”	the day on which completion of the Placing takes place, which shall be within 7 Business Days after the day on which all the conditions precedent to the Placing as set out in the Placing Agreement have been fulfilled on or before the Placing Long Stop Date
“Placing Long Stop Date”	the date falling on the first anniversary of the date of the Placing Agreement or such later date as the Company and the Placing Agent may agree in writing
“Placing Price”	HK\$0.360 per Placing Share
“Placing Shares”	a maximum of 389,000,000 new Consolidated H Shares to be placed under the Placing
“PRC”	the People’s Republic of China which excludes Hong Kong and Macau Special Administrative Regions for the purpose of this announcement
“Previous Placing”	has the meaning as ascribed in the paragraph headed “REASONS FOR AND BENEFITS OF THE PLACING”
“Previous Placing Agreement”	has the meaning as ascribed in the paragraph headed “REASONS FOR AND BENEFITS OF THE PLACING”
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share Consolidation”	the proposed consolidation of (i) every eight (8) Existing Domestic Shares of nominal value of RMB0.10 each into one (1) Consolidated Domestic Share of nominal value of RMB0.80 each; and (ii) every eight (8) Existing H Shares of nominal value of RMB0.10 each into one (1) Consolidated H Share of nominal value of RMB0.80 each
“Shareholder(s)”	holder(s) of the Existing Share(s) and/or the Consolidated Share(s) (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Yuchang” Jiangsu Yuchang Modern Agricultural Development Company Limited* 江蘇裕昌現代農業發展有限公司, a limited company incorporated in the PRC

“%” per cent

For the purpose of this announcement, all figures in HK\$ are calculated based on the exchange rate of approximately HK\$1 to RMB0.808 for illustration purpose.

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, 8 March 2022

As at the date hereof, the Board comprises:

Executive Directors : Mr. ZHU Yong Ning (Chairman) and Mr. WU Qing An

Non-executive Directors : Mr. XU Zhi Bin, Mr. SHA Min, Mr. XU Hao and Mr. YIN Jian Kang

Independent non-executive Directors : Mr. ZHOU Mei Lin, Ms. XU Xiao Qin, and Mr. ZHANG Zheng Tang

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 Stock Exchange’s website at www.hkexnews.hk on the “Latest Listed Company Information” 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*