



***2017 ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT
OF CHANJET INFORMATION TECHNOLOGY COMPANY LIMITED***

(Stock code:1588)



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Microblog of Chanjet



WeChat of Chanjet

About this Report

Organizational Scope: This Report covers Chanjet Information Technology Company Limited (the **“Company”**) and its subsidiaries (collectively referred to as the **“Group”**). For the ease of presentation, wordings such as “Chanjet”, “we”, “our”, and “us” contained herein also refer to the Group.

Reporting Period: Unless otherwise stated, this Report covers the period from 1 January 2017 to 31 December 2017 (the **“Reporting Period”**).

Publication Cycle: It is reported on an annual basis.

Basis of Preparation: Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the **“Listing Rules”**);

Guidance on Social Responsibility (ISO26000) promulgated by International Organization for Standardization;

Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI4.0);

AA1000 Principles Standard (2008).

Explanation about the Data: Monetary amounts involved in this Report are denominated by Renminbi, save for those otherwise stated.

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Statement from the Management

In 2017, China accelerated the reform of fiscal and taxation system and tightened fiscal and taxation regulation over enterprises. Driven by national tax policies and the rapid development of mobile Internet and cloud computing services, micro and small enterprises (“MSEs”) have become more willing to accommodate to the management standard and operational efficiency in line with the cloud era, and their demands for Internet-based financial and taxation tool services and financial and taxation knowledge services are growing. Focusing on its mission of “facilitating MSEs' development through information technology”, Chanjet is committed to assisting MSEs in upgrading and modernizing their management and assisting the financial and tax professionals in China in creating an ecosphere and innovation by consolidating a variety of service means such as platforms, application and finance, thereby empowering Chinese MSEs and in turn boosting China's economic and social development.

In response to China's new economic growth and enterprises' demand for upgrading their management, we have constantly updated and launched products and services such as financial management, purchase-sale-stock management, collaborative office and cloud platforms that are better suitable for the new era to help financial accounting practitioners acquire relevant skills for functional transformation and help MSEs enhance enterprise management efficiency. We also understand the importance of strengthening communication among enterprises and encouraging the collision of ideas to the upgrading of enterprise management and therefore, on top of our ongoing effort to build the online “Accountant Home” online community and the Chanjet Service Community, we initiated the nationwide campaign of “520 I Love MSEs (520 我愛小微企業)” and jointly launched and held the GICC (全球小微企業創新大會) with industry partners. Such measures popularized the new ideas of business development and management, so as to promote the transformation of MSEs toward information technology.



While promoting rapid development of the Company's principal businesses, we always uphold the philosophy of sustainable development so that our employees, partners, communities and environment may benefit from our presence. To be specific, we share our development outcomes with our employees and help them to achieve career development and self-fulfillment; we team up with our partners to generate new blueprints for development and provide them with a comprehensive support platform to achieve win-win results; we emphasize giving back to the society and participate in social welfare activities to share the benefits of technological advancements with the public; and we walk the talk of going green and pursue low-carbon, eco-friendly, sustainable work approach and life style.

About us

Company Profile

Chanjet Information Technology Company Limited, a member of Yonyou Group, specializes in providing financial and management services for MSEs. The Company was established in March 2010 and listed on the Main Board of the Hong Kong Stock Exchange on 26 June 2014.

We are committed to providing platform services, application services, data services and financial services for MSEs in China, with a focus on financial and management services.

Company's Vision	Becoming a worldwide leading provider of financial and management services of MSEs
Company's Mission	Facilitating MSEs' development through information technology
Company's Culture	Respect, cooperation, professionalism, progressiveness, happiness, win-win

Key Data:

As at the end of 2017:

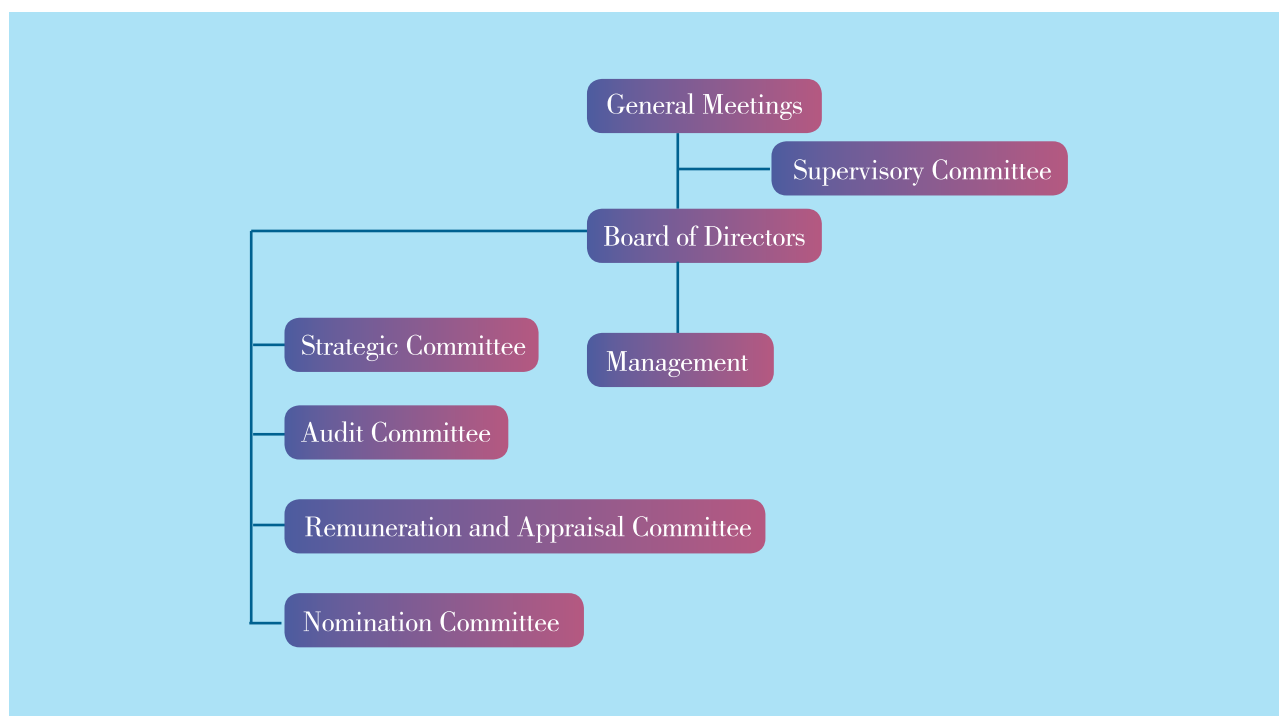
- ★ the accumulated enterprise users of software business of the Group exceeded 1.31 million
- ★ the accumulated paying enterprise users of cloud service business of the Group exceeded 70,000
- ★ the channel partners of the Group exceeded 1,700
- ★ the employees of the Company amounted to 802

Honors Received by the Company in 2017

- ★ The Company was shortlisted for the “2017 Most Preferred Service Providers for SMEs in China (2017 中國中小企業首選服務商)” jointly issued by the China Center for Promotion of SME Development of the Ministry of Industry and Information Technology and China International Cooperation Association of Small and Medium Enterprises
- ★ The Company was granted with the “Enterprise-class SaaS Service Award (企業級 SaaS 服務獎)” by “Trusted Cloud (可信雲)” in 2016–2017
- ★ The Company was awarded the “2017 Team Award in Respect of the Ecological Cooperation for Chinese Enterprise Service (2017 中國企業服務生態合作年度團隊獎)”

Corporate Governance

In accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws and regulations as well as the requirements of domestic and overseas regulatory bodies, the Company has established a standard and sound corporate governance structure and formulated a series of corporate governance regulations, including the Articles of Association, Rules of Procedure of General Meetings, Rules of Procedure of the Board of Directors, Rules of Procedure of Supervisory Committee, Working Rules of Strategic Committee, Working Rules of Audit Committee, Working Rules of Remuneration and Appraisal Committee, Working Rules of Nomination Committee, Working System for Independent Directors, Working Rules of President, Board Diversity Policy and Shareholders Communications Policies, thereby ensuring the shareholders' general meetings, the Board of Directors ("Board") and its special committees, the Supervisory Committee and the management of the Company to perform their duties and responsibilities in compliance with laws and regulations.



Corporate Governance Structure

The Company has established a range of internal control management rules, including documents such as Administrative System for Information Disclosure, Administrative System for Connected Transactions, Administrative System for Financial Reports, Financial Reimbursement System, Funds Management System, Administrative System for Procurement, Administrative System for Budget, Administrative Measures for External Investment, Internal Audit System and Risk Management System, thus establishing a standard and complete internal control system.

The Company has formulated the Code of Conduct for Employees in accordance with the Criminal Law of the People's Republic of China, the Law of the People's Republic of China on Anti-money Laundering and other relevant laws and regulations, and it also enters into Undertaking on Compliance with Code of Conduct for Employees and Transparent Operation (《遵守〈員工行為守則〉及“陽光經營”承諾書》) with the employees to stipulate that employees should honor the basic principles such as honesty and integrity, fairness and justice, compliance with laws and rules, disregard of personal gains, avoiding the conflicts of interest and respecting confidentiality both internally and during interaction with other parties. It strictly prohibits any act of bribery, extortion, fraud or money laundry in whatever form.

The Company has an internal audit and monitoring function to cope with tip-offs in relation to bribery, extortion, fraud and money laundry, and investigate into disciplinary offences and put forth recommendations in respect thereof. Besides, the Company has engaged SHINEWING Risk Services Limited as the independent internal control advisor to review the internal control system and risk management system of the Company regularly on an annual basis, and issue internal control review report and risk assessment report which are subject to review by the Audit Committee under the Board and the Board. In 2017, neither the Company nor any of its employees was involved in any offence and violation in relation to commercial bribery, extortion, fraud or money laundry.

Social Responsibility Management

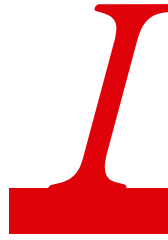
The Board of Chanjet highly values work in relation to the social responsibilities management of the Company, accepts full liabilities for the environmental, social and governance strategies and relevant reporting and is responsible for the evaluation and determination of environmental, social and governance risks relating to the Company. The Board of Chanjet evaluates and responds to the risks and opportunities of the Company in respect of the environment and the society through review of the environmental, social and governance report of the Company.

Chanjet has set up a sustainability steering committee comprising senior executives of the Company to comprehensively direct, empower and coordinate relevant departments in promoting social responsibility efforts. The standing working body of the sustainability steering committee, which is located in the operation and management center of the Company, is responsible for boosting the execution of specific tasks concerning social responsibility and integrating social responsibility into the day-to-day operations of the Company.

Chanjet considers shareholders, customers, business partners, employees, community and environment as important stakeholders of the Company from the perspective of the Company's sustainable development. The Company assesses the importance of relevant social responsibility topics (“SR Topics”) to its strategy and operations and stakeholders and create a topics identification matrix to identify the materiality of various SR Topics. Meanwhile, the Company also listens to stakeholders' expectations and views on its sustainability efforts through stakeholder meetings which are held on a regular basis.

Communications with the stakeholders

Stakeholder	Topics of Concern	Ways of communication
Shareholders	Creating consistent value Corporate governance and risk management Exercise of the rights to information and participation in decision-making	Regular reports and information disclosure Shareholders' meeting Investors' surveys Presentation on business results
Government	Complying with laws and disciplines Paying taxes according to laws Supporting economic development	Daily communications Work conferences Information bulletin Public-Private-Partnerships
Customers	Safeguarding rights and interests of MSEs Leveling up financial and accounting standards of MSEs Offering more diversified portfolio of financial and accounting products for MSEs Improving quality of services for MSEs	Daily services and communications Customer surveys Portal websites, WeChat official account, etc.
Business Partners	Growing together Providing development guidance Sharing customer base with business partners	Project cooperation Daily business communication Establishment of industrial leagues
Employees	Safeguarding employees' legitimate rights and interests Promoting career development and professional skills upgrading Balancing work and life	Regular meetings Activities on corporate culture Employee trainings Portal websites, WeChat official account, etc.
Community	Giving back to the community	Volunteer services Philanthropic activities Communications and interactions with the community
Environment	Protecting the environment	Green office Green procurement Environmental information disclosure Launching environmental protection promotion activities



I. Dedicated to Empowering Financial Accounting Practitioners

As China's financial accounting sector is increasingly in line with international standards, there has been a widening skill gap between traditional financial accounting practitioners and high-caliber financial managers who meet the requirements of international economic development, and the role of the financial accounting personnel of an enterprise has been shifting from being merely “bookkeeper” to “strategic financial manager and accountant”. Thus, it is imperative for financial accounting practitioners to upgrade their skills and equip themselves with multidisciplinary expertise so as to participate in business decision-making and facilitate business management for the enterprises they serve.

With our keen insight into the transformation of the role of financial accounting practitioners, we offer solutions based on “tools + training” to help financial accounting practitioners to elevate their overall professional competence.

1.1 Enhancing the Professional Value of Financial Accounting Practitioners through Intelligent Platform

In 2017, we upgraded “Good Accountant”—our intelligent cloud finance product – by enhancing the features of “intelligence, connection and platform”, thereby allowing financial accounting practitioners to manage cash, bank accounts, invoices, receipts and payments, tax declaration and operational analysis anytime and anywhere through PC, mobile phone or WeChat. The upgraded “Good Accountant” helps level up the financial management of MSEs and facilitates transformation of the role of accountants of MSEs.

In addition, we cooperated with a number of taxation training and finance and tax consulting platforms to connect online and offline visits and launched multiple versions of “Good Accountant” to precisely cater the needs of different groups such as corporate financial accounting practitioners, accounting students, and bookkeeping agents.

Invoice Generation

- ★ It takes only 2 seconds to collect and import invoice information
- ★ It automatically generates accounting evidences and verifies calculation, enabling reasonable control of tax burden

Tax Declaration

- ★ It takes only seconds to finish value added tax (VAT) return forms and financial return forms
- ★ It offers access to online taxation systems of a number of provinces, allowing financial offers to submit tax declaration with just one click

Financial Management

- ★ It automatically calculates VAT burden based on invoices and helps financial officers make tax planning and better manage corporate tax risk

Integration of invoices, finance and taxes to boost the work efficiency of financial accounting practitioners

Under the traditional work approach, financial accounting practitioners need to manually pre-examine and sort out original documents and then prepare account statements, which not only complicates accounting processes but also increases the possibility of data error. “Good Accountant” addresses these weaknesses of the traditional work approach



by integrating invoices, finance and taxes and streamlines tax workflow with intelligent methods, thereby relieving financial accounting practitioners from heavy repetitive work and giving them more chances to involve themselves in enterprise management from the perspective of risk management.

“Good Accountant”—the work engine for accountants

For many startup companies, the application of “financial robot” is not much likely, but they are also in urgent need of powerful helpers that may help them improve efficiency, reduce inefficient workflow, so as to achieve the goal of reducing costs and increasing profits.

Yang Jingjing is a full-time accountant of a startup company in Beijing. Despite having neither much accounting knowledge nor relevant work experience at first, with the help of “Good Accountant”, Yang Jingjing was able to learn very fast as to what accounting entries should be made under different scenarios and gain extensive accounting knowledge and skills within a short time.

In addition, “Good Accountant” is able to generate management statements such as accounts receivable statistics, accounts payable statistics, receipts and payments statistics and costs statistics, etc., which helps Yang Jingjing to present easy-to-understand reports to her boss for everything he wishes to know. Moreover, the WeChat sharing function of “Good Accountant” enables Yang Jingjing to report to her boss at anytime and anywhere, thus helping her win approval from her boss as well as boosting work efficiency.

Comments from stakeholders:

With “Good Accountant”, my work efficiency has improved remarkably. “Good Accountant” allows connection with PC, thus I can do my job with computer in office and proceed with any tricky tasks on my cell phone after work. What's more, it is very convenient for sharing, inquiring and inputting information.

——Yang Jingjing, finance manager of Beijing Aoshi Media Co., Ltd.

I like the auxiliary accounting function most as it can perform statistics for a variety of data according to given conditions, which save me a large amount of repetitive work. What's more, as an Internet-based product, it allows me to work anywhere and I can login even through WeChat, thus I can share any kind of data with my boss at any time. Besides, “Good Accountant” keeps improving and enriching its functions through monthly updating.

——Lv Guowei, finance manager of Beijing Ting Wo Technology Co., Ltd.

The voucher template module of “Good Accountant” is very helpful and easy to use. The module for housing provident fund and social security insurance payment is very smart as it can perform automatic amount matching, saving much trouble. Small businesses do not have established approval procedures like those in the big companies and expenses most often are reimbursed directly without going through formal procedures. “Good Accountant”, which enables cloud-based processing, is a timely tool for us.

——Ding Shangchun, general manager of Shanghai Angdigi Advertising Design Co., Ltd.

Previously we had to input data manually to generate an accounting voucher, which was really time-consuming. With “Good Accountant”, all we need to do is to input a serial number to get the accounting voucher. Cloud-enabling Internet-based financial software, like Good Accountant, is of great help to the development and management of our enterprise.

——Huang Yongjin, finance manager of Beijing Zhongsheng Darun Trading Co., Ltd.

1.2 Boosting the Capacity Building of Financial Accounting Practitioners through Inclusive Education

We realise that it takes more than skills upgrade to help accountants transform their role. Appropriate training measures are also necessary. In 2017, we enhanced our efforts both offline and online to create a good learning atmosphere for financial accounting practitioners.

On the online front, we continued to optimize the functions of “Accountant Home” community. Thanks to the diversified sections of “Accountant Home”, financial accounting practitioners not only can engage in Q&A in relation to financial accounting, but also can take part in the free Savant Lectures (專家講堂) to acquire knowledge on financial accounting.

★ **Fiscal and taxation training:** Interpretation of policies and regulations, featured courses and online Q&A with industry experts, helping financial accounting practitioners quickly understand the financial and taxation policies applicable to MSEs

★ **Practice guidance:** Practical skills, product application skills, practical discussions on the financial management and security of enterprises

★ **Community:** In 2017, we upgraded our technical service support system and was able to offer 7 × 24 online service support

Comments from stakeholders:

“Accountant Home” is a good platform for communication. I visit “Accountant Home” daily, where I can not only gain professional knowledge, but also earn U coins. I am really thankful to “Accountant Home” for providing us such a great communication platform, and I hope “Accountant Home” becomes better and better.

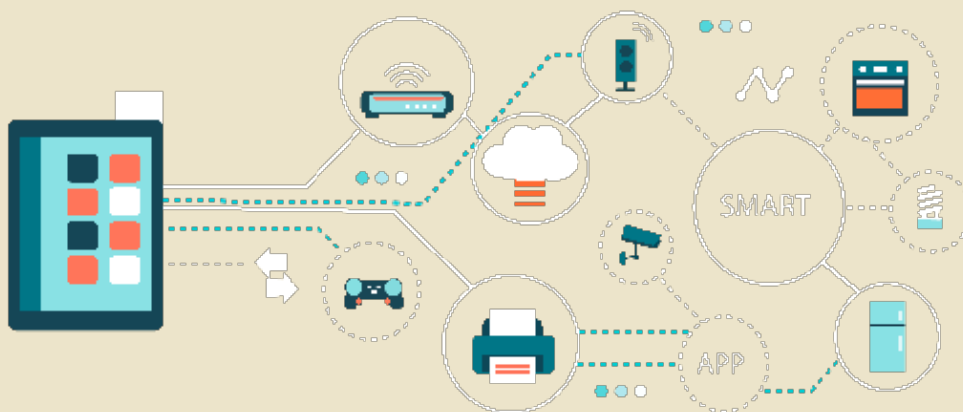
——Ms. Han, member of city-wide rally of “Accountant Home”

At “Accountant Home”, we learn from and communicate with each other. Whenever I encounter a problem in my work, I would first turn to “Accountant Home” to seek help.

——Ms. Li, member of city-wide rally of “Accountant Home”

On the platform of “Accountant Home”, I met many excellent accountants and communicated with them tough problems encountered at work. Besides, I can get detailed interpretations of newly released government policies on the platform, which is really helpful to my work.

——Ms. Chen, member of city-wide rally of “Accountant Home”



Key Data:

As of 2017, “Accountant Home” had a total of 1,881,731 registered users; the section of Finance and Taxation Q&A addressed a total of 189,800 questions raised by 64,300 participants (person-counts); and the total number of experts joined the platform was 80.

On the offline front, we organized the “Amazingly Good Accountant” events to discuss the “transformation of accountants in the cloud finance era” with local financial accounting practitioners. In these events, we invited senior financial management experts to teach and discuss with financial accounting practitioners on how to use technical tools and means to solve financial and tax issues.



1.3 Enriching the Life of Financial Accounting Practitioners with Colorful Activities

Despite the fact that the accounting profession is playing an increasingly important role in our society, many accounting practitioners work obscurely, meticulously all year round in a relatively closed working environment. In order to promote the accounting culture and enhance the sense of professional belonging of accounting practitioners, we have been sponsoring the “Accountant Culture Festival” since 2008 to create a festival that truly belongs to financial accounting practitioners.

In 2017, we successively held the 10th “Accountant Culture Festivals” themed “sharing of cloud management through intelligent cloud finance (智能云财务, 共享云管理)”, with a wide range of diversified activities held in 159 cities, attracting 60,000 participants in aggregate.

The 2017 “Accountant Culture Festival” event sponsored by the Company and organized by Shanghai Qitong Software Co., Ltd, a channel partner of the Company, debuted in Shanghai, attracting around 500 financial accounting practitioners to participate. For the on-site activities, we had arranged learning and sharing session to help financial accounting practitioners to get better understanding of payroll tax optimization solutions based on the Golden Tax Project Phase III, as well as golden-egg smashing for prizes, movie watching and other recreations, creating a relaxing and merry atmosphere for accountants to enjoy the festival.



On-site Interactive Communication



Lucky Draw Session



II. Remaining True to the Original Aspiration to Drive the Development of MSEs

The convening of “the 19th CPC National Congress” points out the direction for China's economic development in the new era. The report delivered at the 19th CPC National Congress highlighted that “there must be no irresolution about working to encourage, support, and guide the development of the non-public sector” and emphasized “supporting the growth of private businesses and stimulating the vitality of various market entities”. Serving as the foundation of the real economy, the MSEs play an important role in promoting national economic growth and job creation with extensive social and economic bases and therefore are figuratively described as “reservoir of employment”, “wings of economic soaring” and “seeds that conceive miracles”.

In the wake of the rapid development of information technology, modern business environment is changing rapidly under unprecedentedly complicated situations, and new industries, new technologies and new business formats are constantly emerging, bringing both opportunities and challenges for the MSEs. MSEs, owing to flexible mechanisms, are capable of responding to market changes in a swift manner, on one hand; and are suffering from the innate insufficiency in risk-resistant capacity due to their deficiencies in respect of staffing, resource allocation, capital financing and liquidity, systematic management approaches, etc., on the other hand.

Challenges arising from modern businesses require enterprises to make prompt responses, which is only possible when the information gap is filled within an enterprise. By implementing the strategy of synergic development of software business and cloud services business, Chanjet provides the MSEs with different characteristics with services covering their finances and taxes, operation and management, customer acquisition as well as other aspects, thereby striving to enable MSEs to fully enjoy their share of the inclusive technology achievements and to grow bigger and stronger under the new economic trend.

2.1 Satisfying Diversified Financial Demands of MSEs with Heartfelt Services

For any enterprise, the establishment and maintenance of accounting books is of non-negligible significance in optimization of corporate financial management and application for credit financing. Considering the differences in MSEs' business scales and resources available, quite a number of microenterprises have no full-time accountants and therefore need to engage accounting agency companies to deal with their corporate financial affairs. In order to satisfy the needs of such microenterprises, Chanjet rolled out Easy Accounting Agent, which was furnished with the function of leveling out voucher amounts automatically. The customers are able to look over their balance sheets, income statements and statements of cash flow at any time with transparent progress of accounting agent services available for inspection. As for MSEs with full-time accountants, Chanjet provides intelligent cloud finance services via Chanjet Good Accountant to these full-time accountants.

Catering to diversified financial demands of MSEs, Chanjet breaks through all management links concerning “personnel, finance, commodity and customer” and integrates collaborative office, financial management, purchase-sale-stock management, management of receipts and disbursements for customers and other applications. It covers the whole process from identifying customers, contacting customers to serving customers and provides enterprises with socialized, personalized, service-oriented and small-scaled business management support.



Financial Management

Good Accountant	Easy Accounting Agent	T3
Intelligent cloud finance with full connection of invoices, accounting and taxes	Operation and management system for accounting agent companies	A software enabling the integrated management of finance and business for MSEs
<ul style="list-style-type: none"> ★ Enabling tax declaration with just one click thanks to the integration of invoices, accounting and taxes, increasing efficiency by three times ★ Carrying out business at any time anywhere and improving efficiency in virtue of voice account keeping, management analysis, synchronization of multiple terminals 	<ul style="list-style-type: none"> ★ Capable of leveling out voucher amounts, which is preferred by accountants ★ Integrating employee management, income analysis and overall business at a glance, which has become a must-have item for bosses ★ With the three statements available for review at any time anywhere and transparent progress of accounting agent services, it wins customers' trust 	<ul style="list-style-type: none"> ★ Facilitating enterprises in financial management and business clarification by virtue of automatic financial accounting ★ Serving as a tax aide and helping to ward off financial risks

Purchase-Sale-Stock

T1

Day-to-day stock-take of cash and commodities

- ★ Through commodity management, formation of differentiated sale prices and quick inventory making and inquiry, time for order response is sharply shortened
- ★ Cash flow management, effecting instant record and summary of business expenditures business analysis
- ★ Business analysis, enabling review and analysis of sales data, inventory and corporate profits at any time by means of integration of invoices, accounting and taxes, thus tripling tax declaration efficiency with one click.
- ★ Voice account keeping, management analysis, and synchronization of multiple terminals, which enables business conduct at any time anywhere and has improved efficiency by 87.6%

Collaborative Office

Biz Chat OA

Addressing mobile corporate management with one app

- ★ **Easy communication:** joining the circle to read messages and convene meetings, having resulted in significant leveling up of efficiency
- ★ **Easy office:** capable of integrating historical reports with one click and facilitating report preparation while sipping one's coffee, thus saving time cost substantially
- ★ **Easy integration:** integrating corporate ERP system by one step and completing approval procedures for all statements



Integrated Management

T+

An Internet-based finance and management software for MSEs

- ★ Refined finance and business management
- ★ Convenient distribution and chain retailing management
- ★ Flexible and straightforward management of supply chain and production
- ★ Management via B2C DST (电 商 通) and B2B Order Mall, facilitating efficient and convenient collaborative office and mobile Internet-based management

T6

Providing integrated management covering finance, business and production for growing enterprises

- ★ Management throughout the business flow and comprehensive control over key procedures
- ★ Equipped with professional data analysts and support the browse of corporate operating data on mobile terminals
- ★ Minding business for you with an exclusive ordering platform, managing finance and taxes and serving as the finance and tax aide for you

Case: Pingjie Commerce and Trade

Pingjie Commerce and Trade, a small vendor in Ya'an, Sichuan, provides consumer products, daily necessities, etc., for local and neighboring mom-and-pops. It used to send clerks to the shops on tour. Such clerks would write down stock-outs on paper and hand over relevant information to the administration personnel who would deliver such information to the finance personnel for entry into the system. Upon relevant approval, the warehouse personnel would receive such information and arrange for commodity delivery, etc. the process was very cumbersome and insufficient.

Li Jie, general manager of Pingjie Commerce and Trade, was a deliveryman in 1992, grew into the mainstay by the end of 1994 and began planning to start a company in 2003. As he put it, what he did in the previous decade were mere trades on a shoestring and had nothing to do with digital management at all. With the booming of Internet nowadays, the supply chain was shortened. Continuing its old way, the company is certain to get into trouble without the support of data management.

Pingjie Commerce and Trade has been using products of Chanjet for corporate management since 2004 and employs the T+ mobile terminal for billing currently, which substantially shortens the response time of delivery and significantly improves the operating efficiency.

Li Jie also highly appreciates the collaborative management within the company and has adopted applications such as “legwork check-in, attendance, announcement, reconciliation of arrearages and teleconferencing” in the Biz Chat. For example, a clerk will send the location and time back to the office via the “legwork sign-in” for each errand at each shop or supermarket, which greatly facilitates corporate supervisors in learning and monitoring the daily work progress of the clerks.

“Billing via T+ mobile APP shortened the time for delivery response from 24 hours to 12 hours and further to the current around 2 hours. Apart from increase in efficiency, management has also been improved substantially. We will make further use of information means to help customers steer the sales and inventory of the retailing system on the whole, thereby further reducing costs and increasing profits of the company.”

——Li Jie, general manager of Sichuan Ya'an Pingjie Commerce and Trade Company Limited

Comments from stakeholders

While making financial accounting practitioners more professional and less worried, T+ Biz Chat provides support for decision-making in respect of business and makes it much easier for the company to verify its financial profits. As for management on return of goods after sales, we record zero turnover in dealing with return of goods and rapid improvement in bookkeeping management efficiency and resource sharing among our five outlets.

——Du Yingjie, accountant of the Shandong marketing center of Nature Flooring (大自然地板)

“Easy Accounting Agent” has streamlined the cumbersome process for bookkeeping agents of MSEs by way of the Internet + accounting agent, thus greatly improving the efficiency of bookkeeping agencies on the whole. I have recommended it to our trainees on many occasions.

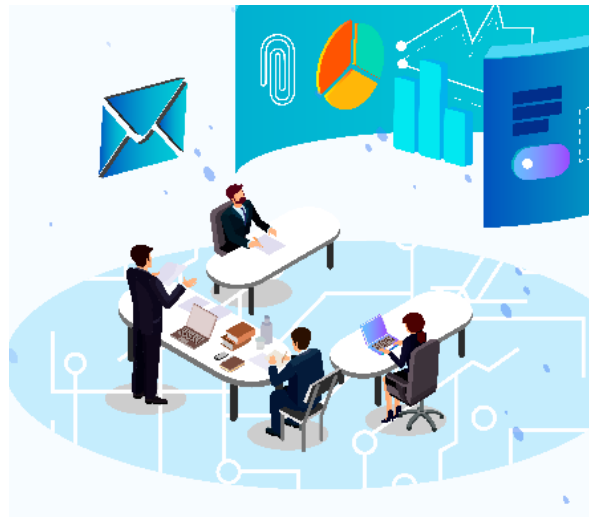
——Zhang Jianguo, founder and CEO of Efun

2.2 Effectuating “Intelligent Enterprises” through Integration of Personnel, Finance, Commodity and Customer

Intelligence-based business is one of the most important trends in the future and its kernel lies in the growing dependence of business decisions on machine learning and artificial intelligence in the future. We opine that the nature of business will remain the same and comprise three integral parts: firstly, an enterprise should be in possession of sufficient and accurate operating data which are available at any time; secondly, it should have a set of flexible algorithm model that is capable of using operating data to deduce cogent results for business decision-making; and thirdly, it should own a product through which relevant data and the algorithm model can be used in the actual scenarios.

The intelligence-based transformation aims at addressing perennial problems with new technologies. We serve as the provider and facilitator of new management instruments and management modes in this intelligence-based transformation and help numerous growing enterprises reduce management cost, improve working efficiency and achieve rapid and accurate operation. We have created the service concept of integrated management of “personnel, finance, commodity and customer” under the new business model. To be specific, targeting enterprises' problems concerning the accelerating commodity turnover, real-time and accurate supply chain management and inventory management, we fully integrate businesses such as collaborative office, financial management, purchase-sale-stock management, management of receipts and disbursements for customers and then roll out applications and application portfolio such as T+, Biz Chat, Good Accountant and Good Business, thus providing integrated management services covering “personnel, finance, commodity and customer”.

In September 2017, the Company officially launched the T+Cloud, which adopted the SaaS mode to satisfy the real-time online financial accounting, business management and business efficiency improvement needs of small enterprises, thereby reducing IT expenditures and maintenance costs of enterprises and improving data safety. The new version of Chanjet Good Business employs the brand-new cloud service technology and the micro-service structure as well as core technologies characterized by scenario driving, data driving and intelligent marketing, thus providing online and offline comprehensive marketing and transaction management services for MSEs. Chanjet Good Accountant realizes the intelligent financial accounting and the integration of invoices, accounting and taxes by orienting at “intelligence, connection and platform” based on artificial intelligence technology. The intelligent financial accounting facilitates enterprises to improve the efficiency of financial accounting, and the management accounting helps level up management and operation standards of enterprises through visualized analysis and the integration of invoices, accounting and taxes enables enterprises to control tax-related risks and save taxes in a reasonable manner. Meanwhile, the products are embedded with accounting practice training, taxation training, real-time interaction with experts and other community characteristics so as to achieve the promotion of finance and tax management services and accounting businesses and boost the common growth of MSEs and their accounting personnel.



T+Cloud:

Features: We developed and rolled out T+Cloud based on cloud computing, mobile Internet, big data and other technologies. The SaaS mode was introduced into the T+Cloud to satisfy the needs of small enterprises for real-time online financial accounting, business management and business efficiency improvement, thereby reducing IT expenditures and maintenance costs of enterprises and improving data security.

Integration of personnel, finance, commodity and customer:

Personnel - cushy work: improve working efficiency, enhance teamwork and optimize performance appraisal

Finance - accurate accounting: accelerate turnover rate, refine expense control and value real-time cost and profit

Commodity - well-managed inventory: accelerate inventory turnover, assort commodity delivery via proper channels and optimize commodity portfolio

Customer - broader business: control marketing channels properly, pick up response speed and enhance customer loyalty

Case:

Nanjing Heshanyuan has developed into the current catering company in possession of nearly 500 franchised chain outlets from an ordinary staffed bun diner run by the couple and has become one of the most popular specialized breakfast chain brands in Nanjing. Like numerous growing enterprises, Heshanyuan also encountered development bottlenecks arising in the course of rapid expansion. As Heshanyuan has established its own central kitchen, vegetable base and logistics and distribution center and is equipped with refrigerated transport vehicles, it is capable of cold-chain delivery to each outlet all along. Notwithstanding, workload of delivery to serve breakfast for 200,000 persons each day is conceivably heavy and a string of problems have been hovering around the couple. The entire process covering order placement of franchisers by telephone, WeChat, etc., order receiving of the company, confirmation of order, production and delivery, involves a huge mountain of work and there is high frequency to err in or omit orders. Besides, traditional management mode is also exposed to defects such as slow response speed, inefficiency, rough management and poor user experience. Heshanyuan did not find its way out of such a stalemate until the use of Chanjet T+ Order Mall.

The use of T+ Order Mall enables Heshanyuan to effect self-serviced ordering in a correct and rapid manner. Three persons are enough to complete the order receiving work for over 500 outlets across the country in a cushy and accurate manner within 1 hour and the overall efficiency has been improved substantially. Without the T+ Order Mall, 7 to 9 additional persons would be needed to receive orders, which would result in an additional labor cost of hundreds of thousands of RMB. T+ Order Mall has also significantly accelerated the response speed of orders which brought forward the distribution time from 18:00 to the current 15:00. Having solved the order problems, Heshanyuan is able to devote more efforts to business operation for its distribution speed is fast enough to satisfy the needs of more outlets likely to be opened in other provinces.

Case:

Multi-dimensional, multipoint and dispersed management is a typical management characteristic of commerce and trade enterprises. An enterprise will encounter pouring drawbacks brought along by the traditional management after developing into a certain scale and reach a development plateau with scarce improvement of scale and efficiency. So it is with Guangzhou He Zong Lian Heng Company Limited, a household textile enterprise.

He Zong Lian Heng is engaged in wholesale and agency businesses. In addition to selling towels labeled with its own brand “Hongzuiniao”, it also serves as the general agency for many famous household textile brands in Southern China. Management obstacles besetting He Zong Lian Heng mainly concentrated on the following four aspects, i.e., inventory statistics, account making and sorting, procurement costing and trans-regional approval. In the past, He Zong Lian Heng employed manpower to complete inquiry, manual record of inventory and commodity distribution as well as to count up newly-added wastage for it's a dozen of outlets. Let alone the redundancy and low efficiency, such work also caused information chaos, cumbersome inventory and severe capital occupancy. Meanwhile, with the growing corporate scale, workload of financial accounting personnel increased greatly. Financial personnel had to go back and forth between the headquarters and the outlets to acquire various data from relevant departments and worked overtime almost every day to make account and prepare the statements at the month end, which was toilsome and inefficient. Granted that employees could be delegated to run such errands, towers of bills pending for check and approval often faced by Wang Likun, the general manager, back from business trips, were his obligatory headaches.



Such problems finally got addressed after He Zong Lian Heng started to use Chanjet T+Cloud. Firstly, T+Cloud's function of automatic formation of inventory movements solved the problem of inefficient inventory counting. Upon completion of inventory allocation and distribution, each outlet will conduct sales stock removal and month-end stocktaking according to the daily sales volume. By referring to the statements via T+Cloud, all matters concerned such as replenishment demands of the outlets, delivery time of outlets, delivery amounts, whether it is necessary for the base to allocate inventory and to conduct procurement could be apprehended at a glance. At the same time, T+Cloud supports operation and management after login on the website and real-time costing, which facilitates each outlets to complete the vouchers on stock removal and warehousing entering. Accountants did not need to go back and forth between the headquarters and the outlets anymore, which enabled the timely and accurate issue of financial statements as well as saving a lot of time and energy. As for the greatest concern of the boss, T+Cloud provides mobile business review and approval, inquiry of statements and operation analysis, which facilitates the boss to review and approve bills from the clerks and inquire account receivables. Such mobile management and Cloud management are also the development trend of future corporate management.

After the information-based transformation by introducing the T+Cloud management platform, He Zong Lian Heng shook off the restraints in respect of corporate management and went on development with ease. Inventory backlog in the headquarters and the outlets have been reduced phenomenally, meaningless wastage decreased and the peak of overstocked products dropped to the current hundreds of thousands of RMB from the previous millions of RMB.

“What concerned us most was inventory backlog in the past. It is gratifying that our inventory has dropped to the current double-digit level since the use of T+Cloud.”

——Wang Likun, general manager of He Zong Lian Heng

Management and capital are two major concerns of MSEs in their daily operation and growth process and we also keep a watchful eye on the difficulties of MSEs in financing. Financing services for MSEs is one important part of inclusive finance, facilitate the promotion of the real economy and the advancement of the supply-side structural reform and are therefore of great significance for creating jobs and improving people's livelihood. Proactively seeking for cooperation with financial institutions and taking into account the ERP software data of enterprise users, we provide more convenient and efficient Internet finance services for MSEs through the one-stop service platform aiming for helping enterprises solve capital problems and facilitating MSEs to achieve business development.

2.3 Integrating Resources in the Industry to Boost the Transformation of MSEs

In order to help MSEs find ways for upgrading under the intelligent business environment and fully enjoy the technological results in the new era, we worked with industry partners in all kinds of forms such as product cooperation, cooperative alliance, cooperation conference to help MSEs gain access to the future business trend and improve their consciousness of transformation in 2017.

★ “Cloud-based 2017” : We worked with Gongsibao, Alibaba Cloud and Dark Horse to make use of the advantageous resources of each party to engage in in-depth cooperation, promote the construction of incubators and industrial parks in different places, and provide support for MSEs in respect of Cloud computing, SaaS software services, delivery capacity of operation services, media, capital, etc.

★ “Entrepreneurial Era Club”: we initiated the Entrepreneurial Era Club in cooperation with Alibaba Cloud and LKK with the view to seeking solutions for MSEs to break deadlocks, arousing new thoughts of emerging innovation entities and identifying the most valuable business hardcore forces. Based on inclusive technologies,

we have shared our best practices to promote the acting out of innovative thoughts, thus facilitating MSEs to establish core competitiveness in the era of innovation.

★ “520 I Love MSEs” series activities: focusing on the theme of caring, we launched the activities in a number of places across the country to provide MSEs with more and richer new knowledge and new information. We enhanced our support to the MSEs, and kicked the types of “new environment, new management, new operation” and experienced the fire-new corporate management and operation models in the era of “Internet+” together with MSEs.

★ “1100 Eco-code”: we worked with Alibaba Cloud, Cisco, SAP and other cooperative partners to roll out the “1100 Eco-code” in the hope of driving the intelligent transformation of 1 million of MSEs.

★ “GICC (全球小微企業創新大會)”: It aimed to fully empower MSEs in the post-entrepreneurship era through discussion on relevant theories and practices.

The First GICC (全球小微企業創新大會)

On 17 November 2017, the Group initiated and hosted the GICC (全球小微企業創新大會). Specialists in

capital investment, technology platform, management application, industry design and other fields shared their entrepreneurial stories and carried out conversations over production innovation, marketing innovation, innovation tendency, innovation models, etc., to provide ideas for traditional and startup MSEs.

At the conference, Yang Yuchun, the president of Chanjet, proposed the concept of “Intelligent Company” and suggested that the prerequisites for intelligent business development are Internet connection, big data and algorithm. Internet connection enables constant interaction of the data acquired, thus allowing enterprises to conduct instant business analysis and make decisions based on facts and live data, which will bolster up all future businesses. In the era of intelligent business, intelligent companies will adopt a dual-engine organizational structure which is data-driven and network-coordinated. It allows information to effectively circulate within upstream and downstream departments in a company and among different enterprises through instant messaging cloud service. In this way, the traditional operation model will be changed and intelligent upgrade will be effected. In terms of corporate operation, Yang Yuchun put forward an intelligent operating mechanism with a core of “four

systems”, i.e., intelligent analysis, intelligent marketing, intelligent sales and intelligent operation.

2.4 Maintaining Regulatory Compliance to Provide Superlative Products and Services

We have strictly abided by the Law of the PRC on the Protection of the Rights and Interests of Consumers, PRC Network Security Law and the Interim Measures for the Administration of Internet Advertisement and relevant laws and regulations and have formulated Customer Service Protocol and Privacy Policy and Rules to guarantee the quality and safety of software products and Cloud services of Chanjet. We have undertaken to preserve the financial information and privacy properly for the customers and prevent leakage of customer information and data through various means. As to our software business, we have retained the restricted customer data provided to us when software is registered. We have employed encryption technology and delimited customer data to protect customer data from leakage. We have also applied physical security procedures to protect and restrict the access to and use of customer data. In terms of cloud service business, we have established a team to monitor the protection of data privacy, so as to ensure that the collection, storage and use of customer data conformed to our internal control and applicable laws and regulations.

We have provided customers with convenient return channels. If customers contact our customer service center within 7 days following the completion of product registration and activation, they can go through the process of return by filling in Application for Return of Cloud Products, Refund Application of Electronic Invoice and Refund Application of Paper Invoice, so as to complete the return in time.

We have set up diversified customer service platforms, including customer call center, on-line “Service Community” and we-chat subscription account, to keep customers' complaint channels open and available. Our customer service center have specially formulated Complaint Handling Procedures, stating types of customers' complaints, evaluation method for service quality and complaint follow-up procedure, to ensure that customers' complaints are properly and satisfactorily resolved. In 2017, we have not received any material complaint from customers in relation to our products and services.

2.5 Reinforcing the Management of Advertising Labels and Intellectual Property Rights

Based on the Advertising Law of the People's Republic of China, the Interim Measures for the Administration of Internet Advertisement, the Trademark Law of the People's Republic of China and the Company Law of the PRC as well as relevant laws and regulations, the Company has developed the Management Standard for Marketing and Dissemination of Public Relations of Chanjet, Management Standard for Brand System of Chanjet and Usage Standard for LOGO and Brand System of Chanjet, clearly stipulating the norms for the use of brand, logo and advertisement and related implementation requirements to all departments and employees, explicitly prohibiting false advertisement and publicity, and standardizing the behaviors of employees in advertising and the use of brand and logo in the course of business activities.

Our copyrights, trademarks, patents, confidential business data and other intellectual property rights are important assets of the Company. By leveraging the synergy of contract restriction, administrative procedure and protection hardware, we continue preventing and restricting other person from stealing the intellectual property rights of our products and services without our permission. In addition, we have developed Administrative Measures for Patent of Chanjet, which standardized the application, management and utilization of patent, to protect the Company's patent assets and promote invention, and have fully complied with relevant policies, laws and regulations in relation to product promotion, advertising, labelling, etc.



III. Promoting Internal and External Cooperation to Create Win-Win Outcomes in the Industry

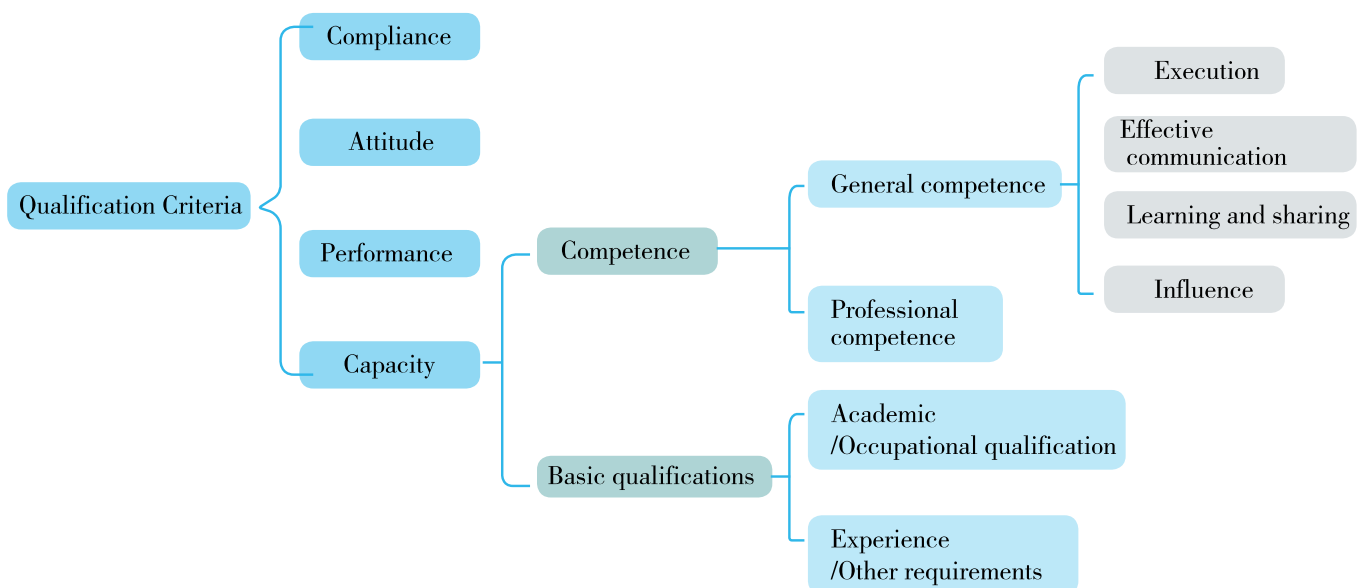
3.1 Sharing New Achievements of Growth with Employees

We constantly deepen the construction of “happy” corporate culture and advocate “living happily and working earnestly”. In 2017, we adopted the resource-centered recruitment method and provided centralized recruitment and training for channel managers to improve recruitment efficiency and quality. Meanwhile, we continuously improve incentive measures and tap excellent talents' potentials to stimulate employees' working enthusiasm and strengthen construction of professional competence, enabling employees to better enjoy the sense of achievement and happiness in work.

3.1.1 Improving employee promotion channels

Upholding the core value of “being professional”, we proactively implement the “dual channel” development mechanism for employees. With the execution of the Measures for Management of Positions and Ranks of Employees, Officer Management System and Professionals Development and Management System of Chanjet, we clarify the qualification criteria of professionals and improve employee development system to enhance their professional competence. Employees may select the career development channel suitable for them according to the employee position and rank system and based on their capacity and willingness.

Qualification Criteria of Professionals



We emphasizing the diversified composition of our employees, evaluate the qualifications of the professional staff from the aspects of compliance, attitude, performance and competence, guarantee equal employment and promotion opportunities for all employees and resolutely prohibit any kind of discrimination such as gender, age, etc. As at the end of 2017, the Company had 802 employees, of which, 28.43% were female employees and 3.75% were disabled employees.

Employment Performance Indicators

Indicators	Unit	2017
Total number of employees	Persons	802
Percentage of female employees	%	28.43
Percentage of disabled employees	%	3.75
Percentage of employees aged on 30 and below	%	37.16
Percentage of employees aged between 31 to 50	%	61.72
Percentage of employees aged on 51 and above	%	1.12
Percentage of employees with a registered permanent residence in Beijing	%	15.34
Percentage of employees without registered permanent residence in Beijing	%	84.66
Percentage of employees under labor dispatching arrangements	%	0
Percentage of contracted employees	%	100

Performance Indicators of New Recruits

Indicators	Unit	2017
Number of new recruits in the year	Persons	205
Number of new female recruits	Persons	31
Number of new recruits aged on 30 and below	Persons	144
Number of new recruits aged between 31 to 50	Persons	61
Number of new recruits aged on 51 and above	Persons	0
Number of new recruits with registered permanent residence in Beijing	Persons	15
Number of new recruits without registered permanent residence in Beijing	Persons	190



3.1.2 Improving employee training system

In pursuance with the Chanjet Training Management System, we have established two types of training programs, namely internal public lecture training and external training, to develop the professional competencies of employees, of which public lecture training is mainly offered on the basis of the Company's development strategy and research findings on training needs, public lectures are given to provide trainings on professional quality and standards, expertise and regulations, general technology and ability, leadership and other aspects for employees of different business lines; as for external training, employees are dispatched to participate in non-curricula education on professional skills and on-the-job curricula education. Meanwhile, we also actively encourage employees to acquire qualification certifications in job-related areas; priority is given for approval of the training applications for qualification certifications within a certain scope, and the related training expenses will be reimbursed.

We take staff development as the basis of our own development. We have committed to providing grass-roots employees and middle and senior management staff with trainings that meet their development needs, to constantly improve the professional quality and comprehensive skills of employees, so as to help them better realize self-fulfillment. In 2017, we launched customized training courses such as new staff training, debate and speech skills training, etc., and also held internal sharing activities regularly. We value training results and will release a training satisfaction survey questionnaire after training to learn about employees' feedback by way of analysis on questionnaire and continuously improve the training system. The percentage of satisfactory and above in respect of our employees' training satisfaction is 100%. In 2017, the Group invested a total of RMB358,400 in training and education. All the employees of the Company have completed training, realizing 7,856 training hours and an average of 10.27 hours of training per employee.

Development and Training Performance Indicators

Indicators	Unit	2017
Percentage of employees having received training	%	100
Percentage of male employees having received training	%	100
Percentage of female employees having received training	%	100
Percentage of senior and middle management having received training	%	100
Percentage of ordinary employees having received training	%	100
Total training hours for employees	Hour	7,856
Average training hours for employees	Hour	10.27
Average training hours for male employees	Hour	10.35
Average training hours for female employees	Hour	10.07
Average training hours for senior management	Hour	7.09
Average training hours for middle management	Hour	16.13
Average training hours for ordinary employees	Hour	10.06

3.1.3 Caring for employees' health and safety and safeguarding their basic interests and rights

With full abidance by the state laws and regulations such as Labor Law of the PRC, Labor Contract Law of the PRC and Law of the PRC on the Protection of Minors, we enter into a formal labor contract with each employee and offer employees with competitive remuneration package. In respect of design of company system, we continuously improve the Code of Conduct for Employees and has formulated regulations and rules of the Company including the Labor Contract Management System, Chanjet Remuneration Management Measures and Employee Attendance and Vacation Management System to fully guarantee employees' rights and interests in respect of employment and retention, dismissal and promotion, working hours, vocations, remuneration and benefits, safe working environment and safeguarding the employees' health, diversity, anti-discrimination and equal opportunities. While ensuring the employees' rights to information, participation and supervision, the Company stands out forced labor of any kind. In the recruitment, we stipulate the general competence and quality requirements on candidates according to the job responsibilities, and proceed with entry procedures for employees according to law to prevent child, forced labor or other illegal labor.

We conduct assessment and management for human resources management risks on a yearly basis, and perform review of labor related risks. In case of any violation or high risk factor, we will immediately take rectification measures to quickly eliminate relevant violation or risk and ensure compliance with laws and regulations of the Company's human resources.

In 2017, the Company recorded full coverage of social insurance and no work-related deaths of employees and there was no loss of workday due to work-related injuries of employees.

Rights and interests

Main content

Ensuring employees' equal access to opportunities

- Adopting the same criteria without imposition of discriminatory requirements such as the gender and health condition in recruitment and advocating diversified employees
- Underlining the principle of fairness, justice and openness and attaching great importance to the adaption to the position in assessment

Guaranteeing employees' right to remuneration

- Remuneration comprises basic salary, performance pay, and subsidies
- Remuneration is determined based on factors including the position of individual employee, job classification, business line and location
- In 2017, the Company successfully implemented the fourth grant pursuant to the employee trust benefit scheme, the second unlocking of the trust benefit units under the first grant and the first unlocking of the trust benefit units under the second and third grants

Paying social insurances for employees

- Remuneration comprises basic salary, performance pay, and subsidies

Reinforcing occupational health and safety management

- Providing pre-job and pre-service physical examination for employees, guaranteeing employees' legitimate entitlements to vacations as well as paid annual leave
- Providing physical examination cards to employees and preparing differentiated physical examination strategy based on different demands of different employees
- Improving the working environment for the staff, furnishing the offices with more plants, encouraging working at home when appropriate, organizing health lectures in view of traditional Chinese medicine and massages to protect the staff from occupational damages due to sedentariness and lack of exercise according to the occupational characteristics of employees in the electronic information industry; and distributing high temperature allowance for the sales staff at the front line
- Providing health care and safety knowledge for the staff, formulating and implementing countermeasures against security emergencies in workplace and the staff safety norms

Safeguarding employees' rights to vacation benefits

- Abiding strictly by the relevant requirements of the PRC on working hours and vacations and making vacation arrangements as far as possible to assure the staff of their rights to rest and vacation
- Arranging one additional paid day off to each of the Tomb Sweeping Day, the Labor Day holiday, the Dragon Boat Holiday and the Mid-Autumn Festival for front-line employees

Dismissal and employee compensation

- An employee who voluntarily terminates his/her employment relationship should give a 30-day written notice to the employer according to relevant requirements under the Labor Contract Law
- Rendering proper economic compensation for laid-off employees entitled to compensation according to relevant requirements under the Labor Contract Law

The Company is committed to creating a good working atmosphere for our employees and a workplace with happiness for staff by hosting birthday parties and colorful activities on festivals.

Come to Chanjet for A Revelry—2017 Chanjet Children and Family Open Day

To enhance exchange among staff, stimulate their sense of belonging and promote the construction of a harmonious team, at the Children's Day on 1 June 2017, we held the activity of children and family open day themed “Come to Chanjet for A Revelry” to let 154 staff and their families enjoy an unforgettable open day in happiness.

The family open day event mainly drew inspiration from the Journey to the West. After the opening show rich in elements of the Journey to the West, the kids launched their adventure tour.

In the sports area, the kids were led by parents to play parent-child games including Chicken v.s. Eagle, obstacle jump, and catching balls to win exquisite gifts; in the handwork area, the kids had fun in painting the facial makeup of Monkey King, making figures in the Journey to the West with polymer clay or mulling over to scrabble up a picture of the Journey to the West with scattered pieces under instructions or on their own; in the kids' area, there were ocean ball pool, bouncy castle, puppets for taking photos, magic show, bubble show, and other games were presented on the ground for free activities. Kids could play there freely or exchange gifts prepared in advance with other kids to feel the true essence of sharing and friendship.

The family open day was not only a parent-child activity, but also a new experience and new trial for us to explore employees' demands based on the traditional culture thus to enhance the permeability of corporate culture.

3.2 Generating New Blueprints for Development with Business Partners

The software distributors of Chanjet are not just intermediaries connecting the Company and end users, but also an indispensable component in the entire software ecosystem. Therefore, we insist on achieving win-win benefits in cooperation with the software distributors through the distribution business mode and place our work focus on the development and growth of the distribution partners. Meanwhile, the selection and management of suppliers is of great importance to the quality of the products and services of the Company and plays an important part in implementing the environmental and social responsibilities of Chanjet. The Company is devoted to integrating its corporate responsibilities into the daily operation of the Company and will, therefore, advocate the suppliers to fulfil their environmental and social responsibilities when managing the suppliers.

3.2.1 Supporting the growth of partners through a sound training system

At the level of channel partners, we think from the perspective of partners and provide powerful support for them in their different development stages according to their actual needs. We are well-aware of the importance of exchange and mutual trust and, therefore, we have set up the New Partner Club (新銳夥伴俱樂部) for partners which have maintained business relationship with us for less than 6 years and the Meritorious Partner Committee (功勳夥伴委員會) for those which have maintained business relationship with us for over 6 years. The committee, as a platform, provides opportunity for exchanges among partners of different backgrounds, thereby allowing our partners to complement each other's advantages and share resources and increasing the cohesion among our partners.

Partner Training System

Introduction period	Providing basic introduction guidance on sales for partners to help them live through the survival period smoothly
Growth period	Providing guidance on sales strategy for partners and promoting large scale sales through “Chanjet Elite Training Camp” allowing partners to accumulate customers rapidly
Expansion period	Assisting partners in clear organization of labor division and team building to elevate their service and operation and paying regular attention to customers
Mature period	Fostering capacity and providing growth room for partners through “Chanjet School” and encouraging partners to engage in diversified and professional operations

3.2.2 Chanjet School: breaking through bottlenecks to promote comprehensive enhancement of partners' capacity

We have a huge channel system consisting of 1,701 channel partners nationwide with over 20,000 employees. To achieve the capacity training and shift of knowledge for partners, there should be a professional organizational structure. Chanjet School is an organization set up by us for planning and implementation of capacity enhancement for channel partners and front-line staff at offices in all places. The school combines online enhancement platform and offline intensified training, and has accumulatively trained 30,000 talents for partners and developed 200 courses.

The online enhancement platform of our school adopts a cloud application model to achieve a standard capacity enhancement system and low-cost and rapid duplication and promotion. We have built a standard way for capacity enhancement for partners based on our years of experience in cooperation with and capacity enhancement for partners. For two types of core personnel of partners, i.e. sales and technical personnel, we have set different levels ranging from “green hands” to “guru”, under each of which we have suitable courses matching the respective levels to tally with the personnel at different capacity levels. Each course includes PPT, video courseware and test questions, which are gathered and assembled in one resources platform, to which the trainees of partners are allowed to access to get the study resources at any time and any place. As at the end of 2017, the online “cloud” promotion platform integrating learning and entertainment had 33,095 registered users. The number of users increased by 1,935 in 2017. Of the registered users, the number of users at “guru” level reached 10,000 presenting an unprecedented situation of “massive capacity enhancement”.

Online Training System

Promotion test

Providing learning materials in terms of sales and technologies of T3, T6, T+ and G series products and helping partners to enhance their capacity through progressive tests



Full view of knowledge

Multidimensional exhibition of the latest, most important and most useful information. The search function enables partners to find the most required information in a minute

市场与营销

T+ T1 T3 T6 G系列 通用

市场活动

- T+云部署产品市场工...
- 2015年小型体验会套...
- T+体验中心网站迭代...
- T+体验中心使用文档...
- 2015-小型体验会套路...
- T+工具大堂V2.0——1...

印刷物料

- T+工作圈漫画海报...
- 2015年标准通户外宣...
- T+普及版单页制作文...
- T1和T+普及版单页制...
- T+宣传手册
- T+体验区海报

市场培训与技能

- T+目标客户在哪里
- T+活动宝典
- 体验营销

更多

销售与售前

T+ T1 T3 T6 G系列 通用

售前支持

- T+连锁零售文字方案...
- 升级T+11.5的十大理...
- T+大PK复习资料
- T+售前——两办法...
- T+连锁售前两办法SWF...
- T+连锁零售售前解决...
- 零售售前要点
- 分销售前要点
- T+零售售前培训课件...

销售订单

- T+连锁零售方案
- T+销售631及渠道
- 怎么管销售
- 怎么管客户
- T+在电商企业的应用...
- T+在制造企业的应用...
- T+加工工具全导航

更多

实施与服务

T+ T1 T3 T6 G系列 通用

运维服务

- 送课到一线之T+环...
- T+数据字典(11.51、11...
- T+典型业务、特殊...
- T+常见问题-环境篇...
- T+年终流程与高发问...

实施方法

- 简易型项目交付常...
- 导航实施2.0-零售通...
- 导航实施2.0-分销项...
- 导航实施2.0-财务项...
- 两办法及工单化实...
- T+导航实施2.0

更多

产品中心

T+ T1 T3 T6 G系列 通用

产品学习

- T+在酒水行业应用培...
- T+网店管理产品介绍...
- O2O订货普及及订单...
- T+12.0全面介绍
- T+12.0普及及版网络...
- T+12.0上市说明
- T+12.0普及、标准...
- T+12.0培训视频
- T+与工作圈对接培训...

产品应用

- T+应用场景培训课件...
- T+并T+会议工具包V2.0
- T+普及及分销存应用...
- T+条形码介绍 (PPT)

产品下载

- 商务通运动营销路...
- T+12.0标准版及专业...
- T+12.0普及及版金盘下...
- 票据通、税务等产...
- T+11.6手机端下载
- T+11.6金盘
- T+11.51及以前版本安...

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搜索

关键字:

产品
线:

一级分
类:

二级分
类:

T+ISV二次开发成果（安装包、使用说明、合作政策等）...点击查看详情...

文档名称	产品线	一级分类	二级分类	上传时间	下载次数
订货商城售前培训	T+	销售与售前	售前支持	2018-04-17	16
电商通产品操作网络培训	T+	产品中心	产品应用	2018-04-02	95
T+在酒水行业的应用	T+	产品中心	产品应用	2018-03-26	125
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Different from the full coverage of basic capacity, the key staff and bosses of partners are more in need of practice based methods and skills in terms of sales, project implementation and personnel management. Such training is for enhancement of basic capacity and focuses on the “essence” of courses as well as development of practical ability and experience for trainees. Therefore, intermediate and advanced trainings are mostly held in the form of intensified trainings on site to reinforce trainees' business and management capacities through drills, discussion on cases, skill competition, etc.

Through abundance summarizations, the school has accumulated complete practical training materials including three-step practice of project review, 1234 diagnostic method for implementation and delivery, simulation of 12 key scenarios of enterprise management and control, practical training of three leverages for corporate benefits, practical training of sand table for enterprise plan, product demonstration and comparison, order placement process and conflict of enterprises, etc., and also formed a series of excellent courses, which benefit all a lot and are recognized by partners and the Company's staff.

The intermediate and advanced trainings based on excellent training courses have been identified by a lot of partners in respect of enhancement of capacity and performance of partners' staff. In 2017, we held 118 intensified trainings nationwide for up to 5,795 trainees to help partners cultivate a large batch of elites. The training effects were also highly evaluated by partners.

3.2.3 Supplier Management

As to the selection and management of suppliers, we have developed a Procurement Management System, which covered the selection procedure, standard and evaluation of suppliers. We have entered into the Anti-corruption Cooperation Agreement (《陽光合作協議》) with all selected suppliers, which requested partners to guarantee following basic business ethics and adherence to the basic principles of being fair, honest, law-abiding and transparent in cooperation to prohibit any violation of business ethics. By reviewing the relevant questionnaires, business licenses and qualification certificates provided by suppliers, we considered and concerned about the environment and social responsibility related issues of suppliers, so as to lead suppliers to fulfilling environment and social responsibility.

In selecting suppliers, we shall follow the principle of openness, fairness and justice, eliminate all commercial bribery, strictly separate procurement management and execution, and ensure key goods and services are purchased centrally. The person in charge of the procurement is responsible for the authenticity and reasonableness of the procurement business, and the purchasing management department shall serve and supervise the purchasing business. In 2017, all the newly appointed suppliers have complied with the above recruitment and selection practice. By the end of 2017, we have a total of 349 suppliers, the classification of which is set out in the table below.

Performance Indicators of Supply Chain Management

Indicator	Unit	2017
Total number of suppliers	Nos.	349
Total number of suppliers in Mainland China	Nos.	335
Total number of suppliers in Hong Kong, Macau, Taiwan and other countries	Nos.	14

IV

IV. Repaying the Society and Protecting the Environment through Community-based Approach

As a responsible and reliable enterprise, Chanjet is committed to capitalizing on its advantageous principal businesses to support the healthy development of MSEs. Rooted in the community, we also energetically participate in social benefit undertakings and encourage our employees to engage in and organize voluntary activities, thus fulfilling our commitments in energy conservation and emission reduction and contributing to the sustainable development of China's economy and society.

4.1 Proactive Participation in Public Welfare Activities

Ever since establishment, Chanjet has been playing an active role in community building by taking initiatives including charitable donations, sponsor the development of school education, support for cultivation of corporate financial and accounting talents and job creation to make contributions to public welfare and repay the society with practical actions.

In order to support the cultivation of financial and accounting talents for MSEs, in 2017, we despatched our training experts to offer courses on career planning for students of Guizhou Forerunner College and provided internship opportunities and employment assistance for students of that college. As recommended by us, 8 graduates of that college were employed by Guiyang Caizhitong Software Technology Co., Ltd., a partner of Chanjet in 2017.

In 2018, Chanjet will invest more resources in community building, use its resource advantages to establish and improve social-welfare-and-charity related policies and plans, and actively seek partners for joint exploration of ways and channels to respond to community needs.

4.2 Fulfilling Our Commitment to Environmental Protection

Given the principal businesses of Internet software products and services, Chanjet does not have any material pollution and hazards to the environment and natural resources. In the course of daily operation, we are devoted to advocating the low-carbon, eco-friendly and sustainable development work approach and life style, energetically fulfill our commitments in energy conservation and emission reduction, and do our part to protect the environment

4.2.1 Emission Reduction

Chanjet strictly observes relevant national regulations such as Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) and Beijing Environmental

Sanitation Regulations on Municipal Appearance (《北京市市容环境卫生条例》) in the disposal process of gaseous emissions and solid wastes and takes measures to reduce greenhouse gas emission and waste discharge. In 2017, Chanjet did not have any material violation in respect of environmental protection. The Company will continue to ensure compliance with relevant laws and regulations in business operations and actively undertake environmental protection obligations.

Emissions of exhausts and greenhouse gases:

- Chanjet does not involve the emission of ozone depleting substance (ODS) and other regulated air pollutants but engages in the emission of greenhouse gases in the course of working and travelling.
- Observing standards relating to the emission of greenhouse gases, reducing energy consumption and carbon emission generated during the operation process and advocating “pride in power saving and shame on waste” and using energy efficient products to improve utilization rate of energy.
- Providing employees with new-energy shuttle bus services and transportation expense reimbursement policies to encourage green travel and actively implement energy conservation and emission reductions.

Discharges into water and land:

- Chanjet does not generate any discharge into land and the main discharge into water is the water used in the working process.
- Abiding by relevant sewage discharge standards, improving the water networking

construction and having the waste water treated through the municipal sewage treatment system.

Hazardous and non-hazardous wastes:

- Wastes of Chanjet mainly comprises wastes generated in the course of working, of which, hazardous wastes consist of wastes containing hazardous chemical substances such as obsolete computers, electronic devices and ink boxes, whereas non-hazardous wastes include used office paper and discarded office stationery.
- Chanjet classifies hazardous and non-hazardous wastes. Hazardous wastes such as obsolete computers, electronic devices, and ink boxes are disposed by qualified old-stuff recycling companies; non-hazardous wastes such as used office

paper and discarded office stationery are disposed by qualified old-stuff recycling companies or classified and stored for reuse if there is further useful value.

- Gradually promoting the use of rental servers and office equipment and suspending the procurement of servers and phased down the procurement of laptops, desktops, printers and other electronic devices. Leasing office equipment helps the Company save a huge amount of cost as well as reducing the occupancy of social resources, hence reducing electronic wastes by 185 sets in 2017 as compared with that in 2016.

4.2.2 Green Office Practices

Chanjet has clarify the impacts of its daily

Substance Discharged

Indicators	Unit	2017	2016
Electronic wastes	Sets	362	547

Indicators of Wastes and Substances Discharged

Indicators	Unit	2017
Emission of CO ₂	Tonnes	212,404.01
Average emission of CO ₂ per person	Tonnes /person	264.84
Emission of other greenhouse gases	Tonnes	0
Emission of NO _x	Tonnes	0
Emission of SO _x	Tonnes	0
Discharge of hazardous wastes	Tonnes	2.7
Discharge of non-hazardous wastes	Tonnes	12.48
Average discharge of hazardous wastes per person	Kg/person	3.4
Average discharge of non-hazardous wastes per person	Kg/person	15.6

working and operation on the environment and encourages its employees to act of their own accord in economical use of water, electricity, paper, materials and other resources, aiming for the establishment of a green workplace with well-nurtured habits. We also highly value the dissemination of environmental protection knowledge and policies on energy conservation and emission reduction and mobilize the entire crew to hew to Law of the People's Republic of China on Energy Conservation (《 中 華 人 民 共 和 國 節 約 能 源 法 》), Environmental Protection and Ecological Construction Plan in Beijing during the "Thirteenth Five-Year Plan" Period (《 北 京 市 “十三五” 時期環境保護和生態建設規劃 》) and other national and local laws and regulations with regard to energy conservation and environmental protection. Besides, we require employees to go easy on resources such as paper and toner in as provided in the Code of Conduct for Employees, post bulletin board regarding “popularization of energy conservation” regularly and demonstrate promotion materials on energy conservation and environmental protection at the cafeteria and office areas, thereby proactively advocating a green and eco-friendly lifestyle.

Saving resources:

● **Saving power:** The Company prefers to use energy-saving products when purchasing electrical appliances and equipment; computers, projection equipment, printers, fluorescent lamps, etc. are turned off when they are not

in use; organize all employees to participate in the “one hour blackout” activity. In 2017, the Company's energy-saving and emission reduction activities saved about 10,000 kWh, and the total power consumption was reduced by 26.6% from the previous year, equivalent to a reduction of 10.42 tons of carbon dioxide emissions.

● **Saving water:** The Company attaches great importance to strengthening water management by equipping inductive water equipment, strengthening water-saving propaganda and education, placarding water saving tips in toilets and washbasins, and advocates water

recycling.

● **Saving paper and packaging materials:** Chanjet promotes paperless working, encourages double-sided printing and paper reuse, and holds meetings through conference calls, web videos, etc., to reduce energy consumption and greenhouse gas emissions; the Company's software products use green packages and adopt a lot of encryption technology to replace physical products in order to significantly reduce the use of packaging materials. In 2017, the use of packaging materials decreased by 25% compared from 2016.

Energy and Resources Consumption Indicators

Indicators	Unit	2017
Total electricity consumption	KWh	203,920.9
Average electricity consumption per person	KWh/person	255.22
Total water consumption	Tonnes	346.62
Average water consumption per person	Tonnes/person	0.43
Total electricity saved through the energy conservation and emission reduction activities	KWh	10,000
Emission reduction achieved in the campaign of power-off for an hour	Tonnes	0.09
Number of facilities leased	Sets	355
Total packaging materials	Tonnes	2.52
Packaging materials per unit of production	Kg	0.28
Decrease proportion of packaging materials	%	25

Note: Since the Company is a software and cloud service provider, its daily principal business activities do not involve consumption of gasoline, diesel and natural gas, and it has no cars under its name. The employee's canteens are also outsourced to other third parties. Therefore, gasoline, diesel and natural gas consumption indicators do not apply to us.

Content Index of the Environmental, Social and Governance Reporting Guide

Aspect	Main performance indicators	Report content
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	● 4.2.1
A1.1	The types of emissions and respective emissions data.	● 4.2.1
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	● 4.2.1
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	● 4.2.1
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	● 4.2.1
A1.5	Description of measures to mitigate emissions and results achieved.	● 4.2.1, 4.2.2
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	● 4.2.1, 4.2.2
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	● 4.2.2
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity	● 4.2.2
A2.2	Water consumption in total and intensity.	● 4.2.2
A2.3	Description of energy use efficiency initiatives and results achieved.	● 4.2.2
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	● 4.2.2
A2.5	Total packaging material used for finished products and with reference to per unit produced.	● 4.2.2

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	● 4.2
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	● 4.2

B. Social

Main performance indicators

Report content

Employment and Labour Practices

Aspect B1: Employment

General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	● 3.1.1, 3.1.3
B1.1	Total workforce by gender, employment type, age group and geographical region.	○ 3.1.1
B1.2	Employee turnover rate by gender, age group and geographical region.	○ Not disclosed yet

Aspect B2: Health and Safety

General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	● 3.1.3
B2.1	Number and rate of work-related fatalities.	○ 3.1.3
B2.2	Lost days due to work injury.	○ 3.1.3
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	○ 3.1.3

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	● 3.1.2
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	○ 3.1.2
B3.2	The average training hours completed per employee by gender and employee category.	○ 3.1.2

Aspect B4: Labour Standards

General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	● 3.1.3
B4.1	Description of measures to review employment practices to avoid child and forced labour.	○ 3.1.3
B4.2	Description of steps taken to eliminate such practices when discovered.	○ 3.1.3

Operating Practices

Main performance indicators

Report content

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	● 3.2
B5.1	Number of suppliers by geographical region.	○ 3.2.3
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	○ 3.2.3

Aspect B6: Product Responsibility

General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	● 2.4, 2.5
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	○ Not applicable to the Company's business
B6.2	Number of products and service related complaints received and how they are dealt with.	○ 2.4
B6.3	Description of practices relating to observing and protecting intellectual property rights.	○ 2.5
B6.4	Description of quality assurance process and recall procedures.	○ 2.4
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	○ 2.4

Aspect B7: Anti-corruption

General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	● Corporate governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	○ Corporate governance
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	○ Corporate governance

Community

Main performance indicators

Report content

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	● 4.1
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	○ 4.1
B8.2	Resources contributed (e.g.money or time) to the focus area.	○ 4.1

Note: ● represents "comply or explain" indicator; ○ represents "proposed disclosure" indicators.

Glossary

1. SaaS: short for Software-as-a-Service, is a completely innovative software application mode emerging at the beginning of the 21st century.

2. ERP: short for Enterprise Resource Planning, is an accounting-based enterprise management software that is capable of providing integrated real-time information across regions, trans-departments and even inter-companies.

3. OA: short for Office Automation, is a new working fashion that combines modern office work with computer technology.



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