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SINOSOFT
TECHNOLOGY

SINOSOFT TECHNOLOGY GROUP LIMITED

中國擎天軟件科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1297)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by Sinosoft Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the unaudited management accounts of the Group for the six months ended 30 June 2021 and the information available to the Board as at the date of this announcement, the Group is expected to record a net loss attributable to owners of the Company of not more than RMB 40 million for the six months ended 30 June 2021, as compared to a net profit attributable to owners of the Company of approximately RMB 79.2 million for the six months ended 30 June 2020.

Based on the information currently available to the Board, the decline in the overall financial results of the Group for the six months ended 30 June 2021 was principally attributable to (i) the decrease in revenue subsequent to the Group's disposal of the export enterprise cloud-based software and services business for the year ended 31 December 2020; (ii) the one-off expense incurred by the grant of awarded shares to certain employees as further detailed in the Company announcement dated on 25 January 2021; and (iii) the increase in research and development cost in low carbon & ecology and government big data businesses. With the significant industry opportunities from China's reaching carbon peak by 2030 and carbon neutrality by 2060, the Group has to conduct more in-depth research for low carbon & ecology business, and relevant products and services need to have major updates. Also, the Group has been actively invested in research of applying blockchain technology in the area of government big data. The Group believes the intensified research and development investment in these areas will lay a solid foundation for the Group's future growth in a long run.

As at the date of this announcement, the Company is still in the process of finalizing the consolidated interim results of the Group for the six months ended 30 June 2021. The information contained in this announcement is based on a preliminary review by the management of the Company of information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company. Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Group for the six months ended 30 June 2021 which is expected to be released in August 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sinosoft Technology Group Limited
Xin Yingmei
Chairlady

Hong Kong, 23 July 2021

As at the date of this announcement, the executive Directors are Ms. Xin Yingmei and Mr. Su Hui, the non-executive Director is Mr. Ren Geng and the independent non-executive Directors are Mr. Kang Choon Kiat, Mr. Kwauk Teh Ming, Walter and Mr. Zong Ping.