

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**暢捷通**

**Chanjet**

**暢捷通信息技術股份有限公司**

**CHANJET INFORMATION TECHNOLOGY COMPANY LIMITED\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1588)**

## **ANNOUNCEMENT ON FINANCIAL INFORMATION FOR THE THIRD QUARTER OF 2021**

This announcement is made by Chanjet Information Technology Company Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The controlling shareholder of the Company, Yonyou Network Technology Co., Ltd., will announce its unaudited third quarterly results for the nine months ended 30 September 2021 on the Shanghai Stock Exchange on 30 October 2021, which include the unaudited financial information of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2021 (the “**Reporting Period**”). In order to ensure that all the shareholders of the Company have equal and timely access to the information of the Company, the Company hereby announces the following unaudited financial information prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China:

During the Reporting Period, the Group recorded operating revenue of RMB371.46 million, representing an increase of 7% as compared with the same period of last year: (i) the revenue from cloud service business was RMB329.64 million, representing an increase of 117% as compared with the same period of last year, and an increase in its proportion of revenue of the Group from 44% for the same period of last year to 89%, of which revenue from subscription-based cloud services was RMB178.83 million, representing an increase of 120% as compared with the same period of last year; and (ii) revenue from software business was RMB41.82 million, representing a decrease of 79% as compared with the same period of last year.

During the Reporting Period, the Group's net loss attributable to shareholders of the parent was RMB180.94 million, whilst the net profit attributable to shareholders of the parent for the same period of 2020 was RMB28.74 million. The Group recorded loss during the Reporting Period, mainly due to the Group strategically dedicated more resources to its cloud service business and downsized its software business: (i) the size of research and development and sales personnel of cloud service

business further expanded, and as of 30 September 2021, the Group had 1,197 employees in total, representing an increase of 226 employees as compared with the same period of last year; (ii) As the revenue from cloud service business expanded, contract operation costs and expenditure on sales promotion increased correspondingly; (iii) revenue from software business decreased significantly as compared with the same period of last year; and (iv) the Long-term Employee Incentive Point Scheme, the Employee Share Ownership Scheme, and the Long-term Incentive Bonus Scheme (collectively, the “**Long-term Incentive Scheme**”) were included in the current profit and loss of approximately RMB65.88 million in total, representing an increase of approximately 567% from RMB9.87 million for the same period of last year. After deducting the impact of expenses of the aforesaid Long-term Incentive Scheme, the Group’s net loss attributable to shareholders of the parent was approximately RMB115.06 million.

As at 30 September 2021, the total assets of the Group was RMB1,563.24 million.

During the Reporting Period, the Group focused on the two major fields, namely digital intelligent finance and taxation, and digital intelligent business for MSEs. The Group continued to firmly implement the strategies of giving priority to cloud service business and subscription business, and continued to dedicate more resources to its cloud service business to promote scale development, thereby promoting the rapid growth in revenue from its cloud service business. At the product level, in the field of digital intelligent finance and taxation, focusing on tax-enterprise interconnection, intelligent finance and taxation, and ecological interconnection, the Group continued to optimize the connectability of integrating invoice, finance and taxation, improve Chanjet Account Importation (小暢導賬) cloud tool, and support convenience upgrade of common software packages in the market to provide a convenient channel for traditional software users to upgrade to digital intelligent finance and taxation cloud products; Easy Accounting Agent (易代賬) has supported the one-click tax declaration service in 18 provinces and cities, and continuously upgraded the business operation and management system to meet the needs of account agencies for agency bookkeeping and agency business registration business management, and to further enhance product competitiveness. In the field of digital intelligent business, T+Cloud and Intelligent+ (智+) accelerated the improvement of product functions in the new retail, strengthened the integrated membership service model of online public domain, private domain operation and offline store operation, and focused on the new brand merchants to achieve all-channel operation and management empowerment. At the marketing level, thanks to opportunities brought by invoice electrification and electronic archives application for the growth of the industry, the Group focused on the nationwide popularization of digital intelligent finance and taxation cloud products, strengthened the leading brand of cloud finance and taxation for MSEs, and launched the plan to suspend the sale of popularized financial software. Since 1 October 2021, the sale of popularized financial software has been discontinued, and operational activities have been focused on active software users, and the cloud adoption, cloud-based transformation and cloud migration of customers has been accelerated. The Group continuously strengthened channel coverage and diversified layout, which further penetrated into the prefectural and county markets. The Group carried out classified operation of partners, strengthened joint operation with channel partners and GOT (GOAL-OBJECTIVE-TASK) co-creation plan. The Group continued to strengthen user operations, accelerated the scale development of users, and increased user activity and retention rate.

During the Reporting Period, the Company was successfully named in the 2021 Beijing “Specialised, Sophisticated, Special and New” SMEs Recognition List (2021年度北京市「專精特新」中小企業認定名單); won the award of “Best MSEs Cloud Financial and Tax Service Provider of the Year” (年度最佳小微企業雲財稅服務廠商) at the 8th Global Internet Economy Conference of GIEC2021; won the “Digital Innovation Model Award” (數字化創新標杆獎) at the WISE 2021 Enterprise Service Ecology Summit (WISE2021企業服務生態峰會) held by 36Kr (36氪); and was shortlisted as the “2021 Enterprise Digital Governance Pioneer Practice Case” (2021企業數字化治理先鋒實踐案例) by the China Academy of Information and Communications Technology.

During the Reporting Period, the Group’s cloud service business had more than 75,000 newly added paying enterprise users, representing an increase of 70% as compared with the same period of last year; and as of the end of the Reporting Period, the number of accumulated paying enterprise users exceeded 292,000. The board of directors of the Company considers that the overall business operations of the Group still maintains a positive development trend.

On behalf of the Board  
**Chanjet Information Technology Company Limited**  
**Wang Wenjing**  
*Chairman*

Beijing, the PRC  
29 October 2021

*As at the date of this announcement, the non-executive directors of the Company are Mr. Wang Wenjing and Mr. Wu Zhengping; the executive director of the Company is Mr. Yang Yuchun; and the independent non-executive directors of the Company are Mr. Chen, Kevin Chien-wen, Mr. Lau, Chun Fai Douglas, and Mr. Chen Shuning.*

*\* For identification purposes only*