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畅捷通
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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	2024	2023	Percentage Change
	RMB'000	*RMB'000*	*%*
Revenue	**959,273**	800,621	20
Gross profit	**692,047**	538,599	28
Profit attributable to owners of the parent	**33,464**	15,876	111
Basic earnings per share *(RMB)*	**0.104**	0.050	108

The board (the "**Board**") of directors (the "**Directors**") of Chanjet Information Technology Company Limited (the "**Company**") did not recommend the distribution of any final dividend for the year ended 31 December 2024.

The Board hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**") together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	4	**959,273**	800,621
Cost of sales and services provided	5	**(267,226)**	(262,022)
Gross profit		**692,047**	538,599
Other income and gains, net	4	**52,962**	136,398
Research and development costs	5	**(210,844)**	(247,340)
Selling and distribution expenses		**(408,008)**	(335,535)
Administrative expenses		**(82,893)**	(67,943)
Impairment losses on financial assets		**(3,283)**	(628)
Other expenses		**(391)**	(592)
Finance costs		**(425)**	(989)
Share of loss of an associate	9	**(5,171)**	(274)
Profit before tax	5	**33,994**	21,696
Income tax expense	6	**(530)**	(5,820)
Profit for the year		**33,464**	15,876
Attributable to:			
Owners of the parent		**33,464**	15,876
Earnings per share attributable to ordinary equity holders of the parent			
Basic *(RMB cents)*	8	**10.4**	5.0
Diluted *(RMB cents)*	8	**10.4**	5.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**33,464**	15,876
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**30**	38
Other comprehensive income for the year, net of tax	**30**	38
Total comprehensive income for the year	**33,494**	15,914
Attributable to:		
Owners of the parent	**33,494**	15,914

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	**31 December 2024** **RMB'000**	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment		**1,746**	3,346
Right-of-use assets		**2,855**	6,766
Intangible assets		**18,898**	985
Investment in an associate	*9*	**30,111**	16,002
Equity investments at fair value through profit or loss	*10*	**60,924**	63,310
Deferred tax assets		**12,009**	12,533
Prepayments, other receivables and other assets	*12*	**74,631**	65,122
Cash and bank balances	*14*	**325,059**	150,712
Total non-current assets		**526,233**	318,776
Current assets			
Inventories		**696**	954
Trade and bills receivables	*11*	**59,187**	57,076
Prepayments, other receivables and other assets	*12*	**174,574**	168,868
Financial assets at fair value through profit or loss	*13*	**–**	153,055
Cash and bank balances	*14*	**933,972**	886,853
Total current assets		**1,168,429**	1,266,806
Current liabilities			
Trade payables	*15*	**9,888**	14,012
Contract liabilities	*16*	**455,692**	402,134
Other payables and accruals	*17*	**136,823**	130,100
Lease liabilities		**1,494**	6,546
Total current liabilities		**603,897**	552,792
Net current assets		**564,532**	714,014
Total assets less current liabilities		**1,090,765**	1,032,790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

31 December 2024

	Notes	**31 December 2024** **RMB'000**	31 December 2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**924**	218
Contract liabilities	*16*	**186,568**	145,924
Long-term liabilities	*18*	**–**	16,990
Total non-current liabilities		**187,492**	163,132
Net assets		**903,273**	869,658
Equity			
Equity attributable to owners of the parent			
Issued capital		**325,772**	325,772
Treasury shares held under the employee trust benefit scheme		**(28,519)**	(28,519)
Reserves		**606,020**	572,405
Total equity		**903,273**	869,658

1. CORPORATE AND GROUP INFORMATION

Chanjet Information Technology Company Limited (the "**Company**"), formerly known as Chanjet Software Company Limited, was established in the People's Republic of China (the "**PRC**") as a company with limited liability on 19 March 2010. The Company became a joint stock company with limited liability on 8 September 2011 in the PRC and changed its name to Chanjet Information Technology Company Limited. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 26 June 2014. The registered office of the Company is located at Floor 3, Building 3, Yard 9, Yongfeng Road, Haidian District, Beijing, the PRC.

During the year, the Group was involved in the technical development, consulting, transfer, service and training of computer software, hardware and external devices, the sale of typing paper, computer consumables, computer software and hardware and external devices, and the provision of database service; design, manufacturing, agency and publication of advertisement; internet information service; and agency bookkeeping.

The holding company of the Company is Yonyou Network Technology Co., Ltd. ("**Yonyou**"), which was established in the PRC, and the ultimate controlling party of the Company is Wang Wenjing.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of registered capital	Percentage of equity attributable to the Company		Principal activities	Legal category
			Direct	Indirect		
Chanjet Information Technology Corporation ("**Chanjet U.S.**") *(note (a))*	California, the United States 5 November 2012	USD15,500,000	100.00	–	Technical development of computer software	Limited liability corporation
Beijing Chanjet Yunhui Information Technology Co., Ltd. ("**Chanjet Yunhui**") *(note (b))*	Beijing, Mainland China 12 April 2019	RMB10,000,000	100.00	–	Technical development, transfer and service of computer software	Limited liability corporation
Hebei Chanjet Cloud Intelligent Technology Co., Ltd. ("**Chanjet Yunzhi**") *(note (c))*	Hebei, Mainland China 4 June 2024	RMB3,000,000	–	100.00	Technical development, transfer and service of computer software	Limited liability corporation

Notes:

(a) The paid-in capital of Chanjet U.S. as at 31 December 2024 was USD10,300,000.

(b) The paid-in capital of Chanjet Yunhui as at 31 December 2024 was RMB10,000,000.

(c) The paid-in capital of Chanjet Yunzhi as at 31 December 2024 was RMB3,000,000.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments and wealth management products at fair value through profit or loss. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policies and disclosures *(Continued)*

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial information.

3. OPERATING SEGMENT INFORMATION

The cloud service business constituted a significant part of the Group's operations. Resource allocation and performance assessment are managed on a group basis.

Therefore, for management purposes, the Group's operating activities are attributable to a single reportable segment, and no analysis by operating segment is presented.

Geographical information

Since most of the Group's revenue was in Mainland China and 99% of the Group's identifiable non-current assets were located in Mainland China, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

Since no revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer during the year, including sales to a group of entities which are known to be under common control with any customer, no major customer information in accordance with IFRS 8 *Operating Segments* is presented.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of products	**249,082**	215,954
Rendering of services	**707,992**	582,607
Sale of purchased goods	**2,199**	2,060
Total	**959,273**	800,621

4. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Sale of products	**249,082**	215,954
Rendering of services	**707,992**	582,607
Sale of purchased goods	**2,199**	2,060
Total revenue from contracts with customers	**959,273**	800,621
Geographical market		
Mainland China	**959,071**	800,621
Other countries/regions	**202**	–
Total revenue from contracts with customers	**959,273**	800,621
Timing of revenue recognition		
Goods/services transferred at a point in time	**274,683**	290,183
Services transferred over time	**684,590**	510,438
Total revenue from contracts with customers	**959,273**	800,621

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
External customers	**959,273**	800,621
Total revenue from contracts with customers	**959,273**	800,621

4. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

Revenue from contracts with customers *(Continued)*

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Rendering of services	**361,335**	283,099

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of products and payment in advance is normally required. No contract provides customers with a right of return which gives rise to variable consideration subject to constraint.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

As at 31 December 2024, the amount of contract liabilities included in the current portion is approximately RMB455,692,000 (2023: RMB402,134,000). The amounts expected to be recognised as revenue within one year are affected when the end customer starts to use.

4. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

An analysis of other income and gains, net is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income		
Value-added tax refunds	**21,113**	20,190
Additional deduction of input value-added tax	**–**	862
Government grants	**815**	4,335
Interest income	**25,906**	25,212
Others	**147**	38
Total other income	**47,981**	50,637
Gains, net		
Fair value gains, net:		
Equity investments and wealth management products at fair value through profit or loss *(note 1)*	**1,278**	40,179
Gain on disposal of the Finance & Taxation Practical Skills Training Product and Service Business *(note 2)*	**–**	43,755
Exchange gains, net	**1,876**	1,189
Others	**1,827**	638
Total gains, net	**4,981**	85,761
Total other income and gains, net	**52,962**	136,398

Notes:

(1) Further details of equity investments and wealth management products at fair value through profit or loss are set out in notes 10 and 13 to the financial statements.

(2) On 24 March 2023, the Company entered into the transfer agreement with Seentao Technology Co., Ltd. (a fellow subsidiary of the Company) for the disposal of the Finance & Taxation Practical Skills Training Product and Service Business at an aggregated consideration of RMB43,800,000. Such transaction has resulted in a gain on disposal of RMB43,755,000.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Cost of products sold		**765**	1,069
Cost of services provided		**265,184**	259,396
Cost of purchased goods sold		**1,277**	1,557
Cost of sales and services provided		**267,226**	262,022
Depreciation of property, plant and equipment		**2,432**	3,927
Depreciation of right-of-use assets		**7,248**	7,057
Amortisation of intangible assets *(note 1)*		**235**	4,643
Lease payments not included in the measurement of lease liabilities		**2,194**	2,271
Research and development costs *(note 2)*		**210,844**	247,340
Auditor's remuneration *(note 3)*		**2,063**	2,044
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):			
Wages and salaries		**405,565**	427,287
Equity-settled share-based payment expense		**121**	250
Pension scheme contributions *(note 4)*		**39,838**	43,161
Less: amount capitalised		**(18,064)**	–
Total		**427,460**	470,698
Foreign exchange differences, net		**(1,876)**	(1,189)
Impairment of financial assets		**3,283**	628
Fair value gains, net:			
Equity investments and wealth management products at fair value through profit or loss	*10/13*	**(1,278)**	(40,179)
Gain on disposal of the Finance & Taxation Practical Skills Training Product and Service Business		**–**	(43,755)

Notes:

(1) During the year ended 31 December 2024, amortisation of intangible assets of approximately RMB20,000 (2023: RMB4,206,000) was included in "Cost of sales and services provided" in the consolidated statement of profit or loss.

(2) During the year ended 31 December 2024, research and development costs of approximately RMB190,624,000 (2023: RMB229,261,000) were included in employee benefit expenses.

(3) During the year ended 31 December 2024, the auditor's remuneration includes other professional service fees in addition to audit service fees.

(4) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

	2024	2023
	RMB'000	*RMB'000*
Current tax	**6**	6
Deferred tax	**524**	5,814
Total tax charge for the year	**530**	5,820

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% was applied to the Company and its subsidiary which is in Mainland China for the years ended 31 December 2024 and 2023.

The Company was subject to income tax at the rate of 15% as a qualified high and new technology enterprise and entitled to deduct qualifying research and development expense from taxable profit during the years ended 31 December 2024 and 2023.

The subsidiary incorporated in the United States was subject to income tax at the rate of 21% for the years ended 31 December 2024 and 2023.

A reconciliation of the income tax expense applicable to profit/(loss) before tax at the respective applicable rates for the Group to the income tax charge at the effective tax rate is as follows:

2024	**Mainland China**		**USA**		**Total**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit/(loss) before tax	**34,283**		**(289)**		**33,994**	
Tax at the applicable tax rate	**8,571**	**25.0**	**(61)**	**21.0**	**8,510**	**25.0**
Effect of different income tax rates *(note 1)*	**(349)**	**(1.0)**	**–**	**–**	**(349)**	**(1.0)**
Effect of tax incentives *(note 2)*	**(40,749)**	**(118.9)**	**–**	**–**	**(40,749)**	**(119.9)**
Loss attributable to an associate	**1,293**	**3.8**	**–**	**–**	**1,293**	**3.8**
Expenses not deductible for tax *(note 3)*	**7,923**	**23.1**	**6**	**(2.1)**	**7,929**	**23.3**
Tax losses and deductible temporary differences not recognised	**23,835**	**69.5**	**61**	**(21.0)**	**23,896**	**70.3**
Tax charge at the Group's effective rate	**524**	**1.5**	**6**	**(2.1)**	**530**	**1.6**

6. INCOME TAX *(Continued)*

2023	Mainland China *RMB'000*	*%*	USA *RMB'000*	*%*	Total *RMB'000*	*%*
Profit/(loss) before tax	21,915		(219)		21,696	
Tax at the applicable tax rate	5,479	25.0	(46)	21.0	5,433	25.0
Effect of different income tax rates *(note 1)*	(3,878)	(17.7)	–	–	(3,878)	(17.9)
Effect of tax incentives *(note 2)*	(52,500)	(239.6)	–	–	(52,500)	(242.0)
Loss attributable to an associate	68	0.3	–	–	68	0.3
Expenses not deductible for tax *(note 3)*	10,875	49.6	6	(2.7)	10,881	50.2
Tax losses and deductible temporary differences not recognised	45,770	208.9	46	(21.0)	45,816	211.2
Tax charge at the Group's effective rate	5,814	26.5	6	(2.7)	5,820	26.8

Notes:

(1) The effect of different income tax rates represented the reduced amount of tax payable due to income tax exemption in the year. The Company was subject to a 15% income tax rate for the years ended 31 December 2024 and 2023.

(2) The effect of tax incentives represented income tax benefits on research and development expenditure.

High-technology enterprises were also entitled to deduct qualifying research and development expenses from taxable profits. During the years of 2024 and 2023, the Company was entitled to an additional 100% deduction of research and development expenditure for tax declaration.

(3) The expenses not deductible for tax mainly comprised entertainment expenses exceeding the deductible limit and non-deductible share-based payment expenses and other non-qualified deductible expenses.

The share of tax attributable to an associate amounting to RMB1,293,000 (2023: RMB68,000) is included in "Share of loss of an associate" in the consolidated statement of profit or loss.

7. DIVIDENDS

The Board did not recommend the distribution of any final dividend for the year ended 31 December 2024 (2023: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 320,427,005 (2023: 318,525,725) outstanding during the year, as adjusted to reflect the target shares purchased by the trustees and target shares vested under the Employee Trust Benefit Scheme.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares, which includes the weighted average number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculation	**33,464**	15,876
Adjusted profit attributable to ordinary equity holders of the parent	**33,464**	15,876

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**320,427,005#**	318,525,725
Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation	**320,427,005#**	318,525,725

The weighted average number of shares was after taking into account the effect of treasury shares.

9. INVESTMENT IN AN ASSOCIATE

	2024	2023
	RMB'000	*RMB'000*
Investment in an associate	**81,169**	67,060
Provision for impairment	**(51,058)**	(51,058)
Total	**30,111**	16,002

The Group had no trade receivable and payable balances with the associate.

Particulars of the associate is as follows:

Name	**Nominal value of registered share capital**	**Place of incorporation/ registration and business**	**Percentage of ownership interest attributable to the Group**	**Principal activities**
Beijing Chanjet Payment Technology Co. Ltd. ("**Chanjet Payment**")	RMB300,000,000	Beijing, Mainland China	19.28	Internet payment, bank card receipt and technical development

The Group's shareholding in the associate comprises equity shares held by the Company.

On 25 November 2024, the Company and Beijing Yonyou Ronglian Technology Co., Ltd ("**Ronglian Technology**") entered into the Capital Increase Agreement, pursuant to which the Company and Ronglian Technology agreed to increase their capital contributions to Chanjet Payment in an aggregate amount of RMB100,000,000 in proportion to their respective shareholdings in Chanjet Payment in cash, thereby increasing the registered capital of Chanjet Payment from RMB200,000,000 to RMB300,000,000. Upon the completion of the Capital Increase, the capital contribution by the Company will be increased from RMB38,560,000 to RMB57,840,000, where the shareholding of the Group in Chanjet Payment will remain unchanged at 19.28% and the Company will still account for Chanjet Payment as an associate of the Company.

The amounts of current assets, non-current assets, current liabilities and net assets as at 31 December 2024 of Chanjet Payment adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements were RMB329,554,000 (2023: RMB292,890,000), RMB196,000 (2023: RMB701,000), RMB151,313,000 (2023: RMB185,086,000) and RMB178,437,000 (2023: RMB108,505,000), respectively.

9. INVESTMENT IN AN ASSOCIATE *(Continued)*

As at 31 December 2024, the Group's share of net assets of the Chanjet Payment was RMB34,403,000 (2023: RMB20,920,000) and the carrying amount of the investment after the fair value adjustments made at the time of disposal and provision for impairment was RMB30,111,000 (2023: RMB16,002,000).

The amount of revenue for the year ended 31 December 2024 of Chanjet Payment adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements was RMB3,899,000 (2023: RMB18,342,000).

The share of Chanjet Payment's loss and total comprehensive loss for the year ended 31 December 2024 were RMB5,171,000 (2023: RMB274,000) and RMB5,171,000 (2023: RMB274,000), respectively.

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 ***RMB'000***	2023 *RMB'000*
Unlisted equity investments, at fair value		
Beijing Yonyou Happiness Yunchuang Entrepreneurship Investment Centre (Limited Partnership)	**3,059**	2,097
Yonyou Mobile Telecommunications Technology Service Co., Ltd. ("**Yonyou Mobile**")	**57,865**	59,785
Xi'an Rongke Telecommunications Technology Co., Ltd. ("**Xi'an Rongke**") *(note)*	**–**	1,428
Total	**60,924**	63,310

The above equity investments as at 31 December 2024 were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

Note: According to the Share Transfer Agreement, the equity investment in Xi'an Rongke has been reclassifed as prepayments, other receivables and other assets.

11. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**62,755**	57,967
Bills receivables	**183**	150
Impairment allowance	**(3,751)**	(1,041)
Net carrying amount	**59,187**	57,076

Except for a few of the clients who are granted an average trade credit term around 90 days by the Group, main customers are required to make payments in advance. For Strategic and key customers, the Group's trading credit terms could be extended appropriately. The Group seeks to maintain strict control over its outstanding receivables. In view of the aforementioned and the fact that the Group's trade receivables relate to diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing. Amounts included in trade and bills receivables were denominated in RMB.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**26,433**	45,886
91 days to 180 days	**5,076**	5,524
181 days to 1 year	**16,856**	2,334
1 to 2 years	**9,786**	2,824
Over 2 years	**1,036**	508
Total	**59,187**	57,076

11. TRADE AND BILLS RECEIVABLES *(Continued)*

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of the year	**(1,041)**	(485)
Impairment losses	**(2,710)**	(556)
At end of year	**(3,751)**	(1,041)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if they past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Within 1 year	**1 to 2 years**	**Over 2 years**	**Total**
Expected credit loss rate	**2.23%**	**13.91%**	**50.83%**	**5.98%**
Gross carrying amount *(RMB'000)*	**49,281**	**11,367**	**2,107**	**62,755**
Expected credit losses *(RMB'000)*	**1,099**	**1,581**	**1,071**	**3,751**

As at 31 December 2023

	Within 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	0.70%	5.21%	50.00%	1.80%
Gross carrying amount *(RMB'000)*	53,971	2,980	1,016	57,967
Expected credit losses *(RMB'000)*	378	155	508	1,041

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024	2023
	RMB'000	*RMB'000*
Staff advances	–	490
Share purchase fund and dividend held by the trustee for share-based payments *(notes 1 and 2)*	**7,060**	6,768
Prepayments	**190,963**	146,807
Contract costs	**41,802**	68,776
Deposits, other receivables and other assets	**10,325**	11,516
	250,150	234,357
Impairment allowance	**(945)**	(367)
	249,205	233,990
Less: Non-current portion		
Share purchase fund and dividend held by the trustee for share-based payments *(notes 1 and 2):*		
Long-term receivables	**7,060**	6,768
Prepayments	**62,827**	42,058
Contract costs	**3,120**	14,055
Other assets	**1,624**	2,241
	74,631	65,122
Current portion	**174,574**	168,868

Notes:

(1) The share purchase fund held by the trustee for share-based payments was paid to Hwabao Trust Co., Ltd. in order to purchase the target shares under the Employee Trust Benefit Scheme. As at 31 December 2024 and 2023, the share purchase fund has been deposited with an agreed deposit rate and will be collected when the Employee Trust Benefit Scheme expires and the trust is liquidated.

(2) The dividend paid for the invalid from the very beginning or lapsed shares held by the trustees under the Employee Trust Benefit Scheme will be collected by the Group when the Employee Trust Benefit Scheme expires, and the trust is liquidated.

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS *(Continued)*

Deposits and other receivables included rental deposits and deposits with suppliers.

Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The credit risk exposure and expected credit losses for the amount due from the share purchase fund held by the trustee for share-based payments and deposits and other receivables were immaterial as at 31 December 2024 and 2023.

The financial assets included in the above balances relate to other receivables for which there was no recent history of default and past due amounts. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Wealth management products	**–**	153,055

The Group purchases various wealth management products issued by banks in Mainland China. As at 31 December 2024, all wealth management products were matured and proceeds upon maturity were received by the Group. As at 31 December 2023, the Group purchased wealth management products with the cost of RMB150,000,000 from commercial banks. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The details and breakdown of the financial assets at fair value through profit or loss as at the 31 December 2023 are as follows:

Name of bank	Nature of products	Commencement date	Expiry date	Principal amount	Carrying value
				RMB'000	*RMB'000*
Industrial Bank Co., Ltd.	Structured deposits	17 March 2023	15 March 2024	50,000	51,230
Bank of Nanjing Co., Ltd.	Structured deposits	22 March 2023	18 March 2024	50,000	50,965
China Construction Bank Corporation	Structured deposits	24 March 2023	24 March 2024	50,000	50,860
				150,000	153,055

14. CASH AND BANK BALANCES

	2024	2023
	RMB'000	*RMB'000*
Cash on hand	**18**	18
Bank balances	**151,795**	120,717
Time deposits *(note)*	**1,099,577**	904,414
Cash equivalents	**7,641**	12,416
	1,259,031	1,037,565
Less: Time deposits, non-current portion *(note)*	**325,059**	150,712
Cash and bank balances	**933,972**	886,853
Less: Non-pledged time deposits with original maturity of more than three months when acquired	**423,785**	90,000
Unrestricted interest receivables	**17,628**	11,064
Cash and cash equivalents as stated in the consolidated statement of cash flows	**492,559**	785,789

Note: Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are mainly deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

The Group's cash and bank balances are denominated in the following currencies:

	2024	2023
	RMB'000	*RMB'000*
RMB	**1,166,846**	950,835
HK$	**86,346**	80,710
USD	**5,839**	6,020
Total	**1,259,031**	1,037,565

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks which are authorised to conduct foreign exchange business.

15. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**4,537**	10,479
91 days to 1 year	**3,139**	1,879
Over 1 year	**2,212**	1,654
Total	**9,888**	14,012

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

16. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	2024	2023
	RMB'000	*RMB'000*
Rendering of services	**642,260**	548,058
Analysed into:		
Current portion	**455,692**	402,134
Non-current portion	**186,568**	145,924

17. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Tax payable	**20,240**	17,648
Staff payroll and welfare payables *(note)*	**79,589**	81,598
Advances from customers	**8,561**	9,031
Other payables	**28,433**	21,823
Total	**136,823**	130,100

Other payables and accruals are non-interest-bearing and have no fixed terms of repayment.

Note: Further details of staff payroll and welfare payables related to the long-term incentive bonus scheme are set out in note 18 to the financial statements.

18. LONG-TERM LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Accrued bonus	**–**	16,990

On 28 December 2020, the Board approved the adoption of the long-term incentive bonus scheme to motivate the enthusiasm and creativity of the management team members and the core and key employees of the Company. The appraisal dates are the first working day after the expiry of the second anniversary, third anniversary and fourth anniversary of the date of determination of the long-term incentive bonus scheme participants. Subject to the satisfaction of the appraisal conditions, the long-term incentive bonus scheme participants shall receive the bonus. The bonus shall be paid in three tranches within three months after the respective appraisal dates. On 28 December 2020, the Board has considered and approved the list of the long-term incentive bonus scheme participants under the long-term incentive bonus scheme, which comprises Mr. Yang Yuchun, the executive director and the president of the Company, and 157 members of other mid to senior level management personnel, experts and key personnel of the Group.

During the year ended 31 December 2024, the total amount of the long-term incentive bonus expenses recognised in profit or loss under the long-term incentive bonus scheme was RMB5,104,000 (2023: RMB7,109,000).

On 30 December 2024, the Board considered and passed a resolution in relation to the appraisal of the third tranche of bonus under the long-term incentive bonus scheme. Pursuant to the resolution, 30 December 2024 was the appraisal date for the third tranche of bonus. The business performance of the Company for the year of 2023 had reached more than 80% but less than 100% of the appraisal targets set by the Board. Therefore, the amount of bonus to be awarded is 80% of the fixed amount of bonus. Except for some scheme participants who had terminated or rescinded their labour contracts with the Company and withdrawn from the long-term incentive bonus scheme and individual scheme participant who did not achieve the required individual performance appraisal results for the year of 2023 (such scheme participant do not meet the appraisal conditions), the remaining scheme participants had met the individual appraisal conditions as stipulated in the long-term incentive bonus scheme, as approved by the President Committee. Based on the business performance of the Company for the year of 2023, the Board considered and determined the total amount of the tranche of bonus to be awarded to the scheme participants would be approximately RMB22,095,000 (31 December 2023: RMB28,981,000) (tax inclusive), which were recognised in staff payroll and welfare payables. The bonus would be paid within the first three months of 2025.

BUSINESS REVIEW

Development Trend of the Industry

According to the data of the State Administration for Market Regulation, by the end of 2024, there were 189 million registered business entities nationwide, representing an increase of 3.1% compared to the end of 2023, with steady improvement in the development quality of business entities. During the Reporting Period, the Chinese government continued to implement various measures in relation to tax and fee reductions, financing support, optimizing business environment, policy guidance, service guarantees, etc. to support the development of micro and small scale enterprises ("**MSEs**"), which constitute a vital component of the national economy. In terms of tax and fee reductions, the state maintained a series of policies in this regard that benefited MSEs nationwide. In terms of financing support, the General Office of the National Financial Regulatory Administration issued the *Notice on Effectively Promoting Inclusive Credit for 2024* (《關於做好2024年普惠信貸工作的通知》), requiring to sustain credit support intensity, stabilize credit pricing, optimize credit supply structures, and better meet the diversified financial needs of MSEs. In terms of service guarantees, the State Taxation Administration and the All-China Federation of Industry and Commerce released the *2024 Special Action Plan of "Spring Rain Nourishes Seedlings" to Promote the Development of Micro and Small Scale Business Entities* (《2024年助力小微經營主體發展「春雨潤苗」專項行動方案》), which launched 12 service measures on the basis of continuing and deepening the action of "Spring Rain Nourishes Seedlings" in the past three years so as to promote high-quality development of MSEs, individual businesses and other micro and small scale business entities. In addition, the general offices of 18 departments including the Ministry of Industry and Information Technology jointly issued a notice to launch the 2024 "Working Together to Benefit Enterprises" service campaign for micro, small and medium scale enterprises, with a focus on resolving policy implementation bottlenecks, addressing pain points and difficulties in operations, and enhancing development quality and efficiency, thereby providing high-level services to facilitate the high-quality development of micro, small and medium scale enterprises.

During the Reporting Period, the Ministry of Industry and Information Technology, the Ministry of Finance, the People's Bank of China, and the National Financial Regulatory Administration jointly released the *Special Action Plan for Empowering Small and Medium Scale Enterprises with Digital Means (2025-2027)* (《中小企業數字化賦能專項行動方案(2025-2027年)》), aiming to leverage the guiding role of central fiscal funds to encourage local governments to increase financial support for the digital transformation of small and medium scale enterprises, and provide phased support for approximately 100 cities to pilot the digital transformation of small and medium scale enterprises, and drive over 40,000 small and medium scale enterprises to undertake digital transformation. In addition, the plan seeks to enhance the digital transformation service system for small and medium scale enterprises by cultivating a batch of digital transformation service providers as a way to strengthen service capability and improve service quality and level.

Since the pilot launch of the comprehensive digital electronic invoices (the "**All-electronic Invoices**") on 1 December 2021, the initiative has progressed steadily and orderly. The State Taxation Administration has decided to officially roll out All-electronic Invoices nationwide since 1 December 2024, alongside the launch of the national unified and standardized electronic tax bureau (全國統一規範電子稅務局) (the "**New Electronic Tax Bureau**") nationwide. The uniformity and openness of invoice and tax provided a good technical foundation for MSEs to apply services which integrated business, invoice, finance and tax, driving growing demand for digital intelligent products among MSEs. On 1 July 2024, the newly amended Accounting Law took effect, making it clear that the state aims to strengthen accounting informatization and encourage the use of modern information technologies in accounting practices in accordance with law, thereby providing solid legal support for the advancement of accounting informatization. The amended law also significantly increases legal liabilities and penalty amounts for accounting violations, promoting enterprises to strengthen their compliance operations.

During the Reporting Period, the integration of AI and SaaS evolved towards scenario-based, industry-specific, and platform-oriented development. Embedded AI technologies tailored to business scenarios were deeply integrated into SaaS products, enabling the delivery of more premium, efficient, and intelligent services for customers. This integration not only enhanced the autonomy and intelligent analysis and comprehension capability of the products but also empowered them with natural language processing technologies to interpret user intent so as to offer more natural and convenient interaction experience. In the SaaS sector, the integration of generative AI and machine learning algorithms demonstrated significant potential to fundamentally transform user experience, optimize operational efficiency, and elevate customer application value. AI could empower SaaS enterprises to attract more new customers, boost the stickiness of existing customers and create opportunities for them to upgrade and expand services, thereby bringing fresh growth opportunities for the entire industry.

The aforesaid development trends of the industry have played a positive role in promoting the development of the Group in the fields of digital intelligent finance and taxation, and digital intelligent business for MSEs, and have provided a broad market for the Group to grow in the long run.

Major Risks and Uncertainties

The major risks and uncertainties faced by the Group in its business operations include: (1) a complex and severe external environment may have an adverse impact on MSEs in terms of investment in informatization; (2) under fierce competition in the cloud services market for MSEs, low market concentration and rapid product and technological updates, the Group may face a risk in consolidating and enhancing the competitive advantages of its products if such products fail to meet the ever-changing needs of MSEs customers in a timely manner; and (3) as the government and customers escalate their requirements for information and cyber security, the Group faces strict compliance and legal responsibilities in terms of cyber security and protection of data and privacy; since the Group's products and services mainly rely on the network, and the resources such as users, information and data are highly concentrated, the products and services are subject to the risk of incursions of network viruses and hackers or system interruptions.

To address the above major risks and uncertainties, the Group will make continuous efforts to enhance its product competitiveness, maintain its absolute leadership in digital intelligent finance and taxation leveraging on the core advantages of relevant products, strengthen the competitive advantages of digital intelligent business products, improve the comprehensive competitiveness of business-finance integration products, and at the same time strengthen the application of new technologies such as artificial intelligence in products to improve the customer application value of products. Developing direct sales, distribution, and co-selling in parallel and adhering to pursuing co-prosperity through diversified value-added reseller and eco-partners, the Group will further enhance the depth and breadth of market coverage, expedite the development of direct sales business, strengthen the operation and management of the full life cycle of customers, comprehensively enhance consumer reach, sales conversion and customer success, and improve customer satisfaction and stickiness. While maintaining the rapid development of the business, the Group has always adhered to high standards and requirements to protect user information and privacy security, and has continuously strengthened and improved the handling and emergency response mechanism for information security issues to cope with the increasingly complicated network security environment, so as to continuously provide safe and reliable cloud services for MSEs.

Principal Business and Operating Conditions

During the Reporting Period, the Group persistently focused on the two major fields of digital intelligent finance and taxation and digital intelligent business for MSEs. Adhering to the principle of customer success, the Group expedited product innovation and development in the "new finance and taxation, new commerce, new retail, new manufacturing and new service" ("**Five-New**"), further improved the automation and intelligence level of digital intelligent finance and taxation, enhanced the comprehensive advantages of business-finance integration, and built a next-generation enterprise-level AI-native application development platform to continuously improve product competitiveness. The Group continued to strengthen the channel network layout and promote the channel sinking to cover county-level market, enhanced the density and breadth of market coverage in key regions, and empowered value-added distribution service providers to improve customer acquisition and customer success operation capability with the help of AI, big data and other technologies. The Group continued to enhance the ecological openness and integration capabilities of Chanjet's Open Platform, and accelerated product integration and innovation with ISV ecosystem partners to expand ecological collaboration scenarios and strengthen the product ability to occupy ecological channels. In terms of the direct sales business, the Group continued to deepen the precise customer acquisition marketing strategy, explored a deeper application of AI in marketing to acquire business opportunity leads at scale, upgraded customer success operation system to continuously improve the payment conversion rates, thereby achieving sustained and rapid growth in the direct sales business. Meanwhile, the Group actively explored global business development by launching the overseas version of Chanjet Good Business and Finance (暢捷通好業財) to expand into global markets.

During the Reporting Period, the Group achieved a revenue of RMB959.27 million, representing an increase of 20% over the last year, of which revenue from cloud subscriptions was RMB653.81 million, representing an increase of 34% over the last year, accounting for nearly 70% of the total revenue, and has successfully realized the transformation towards cloud subscription business model. As at the end of the Reporting Period, contract liabilities from cloud subscriptions were RMB629.24 million, representing an increase of 18% over the end of last year. During the Reporting Period, the Group achieved a gross profit of RMB692.05 million, representing an increase of 28% over the last year. The Group recorded a profit attributable to owners of the parent of RMB33.46 million, representing an increase of 111% as compared to last year; and the basic earnings per share of the Group was RMB0.104, representing an increase of 108% as compared to last year.

During the Reporting Period, the Group recorded net operating cash inflow of RMB91.30 million, a significant turnaround from the previous year's net operating cash outflow of RMB42.05 million. As of the end of the Reporting Period, the cash and bank balances of the Group amounted to RMB1,259.03 million, and the financial position of the Group continued to maintain healthy and stable.

During the Reporting Period, the number of new paying enterprise users of the Group's cloud service business was 143,000. As of the end of the Reporting Period, the number of accumulated paying enterprise users of cloud service business reached 775,000.

1. Development of products

(1) Digital intelligent finance and taxation, grasping policy and technology trends, and consolidating the advantages in integration of invoice, finance, tax, fee, bank and filing

In the field of digital intelligent finance and taxation, with the nationwide rollout of the All-electronic Invoices and the New Electronic Tax Bureau, the digital intelligent finance and taxation products of the Group seamlessly connected with tax digital accounts through automation technology, and supported the processing of new electronic certificates such as e-tickets for aviation and railways. The comprehensive digitization of financial documents provided a robust foundation for enterprises to intelligently complete the entire process of bookkeeping, tax declaration, and filing. Moreover, digital intelligent finance and taxation products enabled one-click tax declaration in all 36 tax districts in China, further improving automatic and intelligent capabilities. Leveraging the development of AI technology, the intelligent finance and taxation BaaS service that provides fully automatic bookkeeping and tax filing services for micro enterprises has continuously improved efficiency and accuracy of whole-process automatic bookkeeping and tax filing. This innovation drove a shift in the accounting agency industry from a "tool + human" model to a "tool + algorithm" model, laying a solid foundation for the large-scale promotion of BaaS service.

During the Reporting Period, in terms of digital intelligent finance and taxation, the Group continued to strengthen ecological cooperation, and collaborated with multiple platform providers and banks on product integration and innovation. By expanding ecological collaboration scenarios through its finance and taxation open platform, the Group enhanced the product ability to occupy ecological channels. The Group enhanced the ecological integration capabilities of its finance and taxation open platform by establishing effective connections between business-finance data and platform, industry-specific, and vertical SaaS products through over 50 connector products. These efforts further consolidated the Group's advantages in the digital intelligent finance and taxation sector.

(2) Digital intelligent business, strengthening the industry-specific development, and improving the comprehensive advantage of business-finance integration

In the field of digital intelligent business, the Group made continuous efforts to strengthen product innovation and development in the fields of new commerce, new retail, new manufacturing and new service, deeply integrated AI technologies with SaaS products, and enhanced the application and innovation of data intelligence technologies. By leveraging dynamic metrics, data labeling, and billboard capabilities built through data warehouses, the Group assisted managers and decision-makers in gaining deep insights into business operations and enhancing decision-making capabilities. The Group introduced a multimodal billing robot powered by large models, OCR technology, etc., supporting multiple billing methods, such as voice, text, and image-based billing to significantly boost the transaction efficiency of enterprises. Through the deployment of virtual digital workforce including approval robots, business process robots, and printing robots, the Group helped MSEs enhance performance capabilities, reduce cost and improve efficiency. During the Reporting Period, in response to the characteristics of economic transformation and upgrading, the Group focused on enhancing industry-specific features of products in key sectors including new commerce, new retail, new service, and new manufacturing. By leveraging low-code or zero-code platform capabilities, the Group implemented an operational process of "industry-specific marketing – industry-specific experience – industry-specific delivery" to boost customer conversion rates. This approach continuously enhanced the flexible scalability of standardized products, and elevated the delivery quality and efficiency.

During the Reporting Period, in terms of digital intelligent business, the Group continued to strengthen ecological capacity building, enhanced integration and opening capabilities with collaborative office platforms such as DingTalk, WeCom, Feishu and Kingsoft Office. Through in-depth product integration with platforms and the further enriched ecological cooperation scenarios, the Group continuously boosted the platform traffic conversion rate, expanded customer groups, and further improved product competitiveness and market coverage.

During the Reporting period, the Group launched "Chanjet Smart ERP", an international version of Chanjet Good Business and Finance, supporting multiple languages including English, Indonesian, Vietnamese, Thai, and Spanish. This move marked the Group's initial phase of global market expansion, aiming to support Chinese enterprises to go global and facilitate the digital and intelligent transformation and upgrading of localized enterprises abroad.

(3) Open Platform, accelerating the development of ecological open integration capabilities and AI application capabilities

During the Reporting Period, the ISV and developer ecosystems of Chanjet products continued to expand. As of the end of the Reporting Period, the Open Platform had more than 3,200 certified ISVs, enriching integrated solutions of Chanjet products and ISV applications. The low-code or zero-code platform attracted 3,500 developers, who created more than 6,300 applications, further addressing the personalized, industry-specific, and multi-scenario digital needs of MSEs. The Open Platform integrated XiaoChang Intelligent Assistant, and by virtue of AI Agent framework and RAG (Retrieval Augmented Generation) technology and leveraging a continuously updated FAQ knowledge base and an industry benchmark case base, provided developers with precise technical consultation and innovative resources, thereby effectively accelerating product iteration and innovation. The Open Platform also incorporated large language models and multimodal technologies to enable intelligent SQL (Structured Query Language) scripting and form generation, significantly improving data processing and UI development efficiency. The adoption rate of AI-generated codes exceeded 30%, further lowering barriers for ISV integration and boosting R&D productivity of ISVs. The application of AI technologies drove the development of the Open Platform towards intelligent and high-efficiency operations. Meanwhile, the Group also enhanced the socialized public digital service capability of Chanjet cloud products in terms of interconnectivity such as bank-enterprise connectivity, tax-enterprise connectivity, payment channel, e-commerce connect, and master data standardization. These upgrades enriched product portfolio and functions, and strengthened the customer stickiness and competitiveness of the Group's SaaS products.

(4) Escalating the information security management of cloud service

During the Reporting Period, the Group continued to adhere to the high-standard, strict security management philosophy, actively fulfilled information security responsibilities, and ensured no major security incidents occurred throughout the year. Building on safeguarding user information and privacy security, the Group not only reinforced its own security defenses but also spearheaded industry security standard advancements through innovative measures. During the Reporting Period, the Group enhanced security management services by proactively assisting clients in security reinforcement and risk identification and elimination, thereby further elevating their awareness and capabilities in security management. Meanwhile, the Group maintained a strong sense of social responsibility, and collaborated with regulatory authorities and partners to conduct high-level security training programs nationwide. Such efforts steadily promoted the synergistic advancement of security operations and business development, helping improve the information security level in the industry.

The Group deepened technological innovation of C.MSP (暢雲管家), a one-stop application hosting platform independently developed by the Group, coupled with years of accumulated technical management experiences, providing MSEs with comprehensive and reliable security operation and maintenance services. Built on mainstream IaaS platforms, C.MSP offers application management, network and host security protection, automatic backup, security assurance and other functions, thereby holistically safeguarding the data, operation and maintenance of MSEs, effectively defending against diverse cyber threats and protecting the digital transformation of MSEs. During the Reporting Period, the new order amount of C.MSP increased by 58% year-on-year.

2. *Development of business operations*

During the Reporting Period, the Group adhered to a philosophy of mutual benefit, continuously strengthened channel network layout, expanded the density and breadth of market coverage in key regions, and diversified collaborations with ecosystem partners. The Group established a multi-dimensional marketing activity system to comprehensively support and empower value-added distribution service providers. The Group advanced digital marketing and refined operation solutions with AI technology, improved the capability of value-added distribution service providers to acquire and convert business opportunities, and promoted the upgrading of their operation models and business growth. In the "Five-New" fields, the Group continued to deepen its presence in the economic and industrial belts, and delivered high-quality digital and intelligent services to a growing number of MSEs, thereby supporting their transformation, upgrading, and sustainable development.

In the direct sales channel, the Group further refined the precise customer acquisition marketing strategy, with a focus on the popularisation of finance and taxation market, fully leveraged the deep application of AI in marketing. By precisely targeting lower-tier markets, the Group continuously optimised the allocation of resources for cooperative channels such as e-commerce platforms, ecological platforms, social platforms, and social training institutions, improved the operation system and process of transferring public domain traffic to private domains. Through AI large models, the Group acquired high-quality leads at scale, optimized the entire marketing processes and significantly improved the quality of business opportunities, thereby improving operational efficiency and customer conversion rates and facilitating the large-scale development of user payment conversions. During the Reporting Period, revenue from direct sales business increased by 58% year-on-year.

In the cooperative sales ("**cooperative sales**") channel with ecosystem partners, the Group continuously deepened its collaboration as an integrated partner with IaaS cloud providers, telecom operators, and industrial Internet platforms. It continued to launch products and optimize operations with mainstream collaborative office platforms in China, achieving a 51% year-on-year increase in new order amount during the Reporting Period. For banking ecosystem cooperation, the Group continued to deepen the application experience. On the one hand, the Group strengthened interconnectivity for electronic document reception and account reconciliation for banks. On the other hand, the Group advanced integrating and being integrated collaborations with top-tier banks on digital cloud applications tailored for MSEs. In terms of the national special action on digital transformation of small and medium scale enterprises jointly launched by the Ministry of Industry and Information Technology and three other departments, the Company actively participated in regional selections for digital service providers. By the end of the Reporting Period, the Group had been successfully selected in 16 cities, and collaborated with local service partners to drive digital transformation and cloud integration for MSEs.

In terms of customer success, the Group enhanced the operation and management of the whole life cycle of customers. By distinguishing different usage phases, the Group helped customers apply products and services rapidly and deeply to enhance customer satisfaction and stickiness. The Group actively applied AI technology to improve intelligent services and service efficiency and reduce service costs, laying a solid foundation for the scalable and efficient development of the Group's customers.

3. *Development of brand and market*

During the Reporting Period, the Company won the "2024 Excellent Digital Intelligence Enterprise (2024年度卓越數智化企業)" at the "Star of Analysys (易觀之星)" award ceremony hosted by Analysys. At the "2024 Cloud-AI-Computing Innovation and Development Conference (2024雲・AI・計算創新發展大會)" hosted by the Organizing Committee of the Global Digital Economy Conference and organised by the CAICT, the Company was successfully listed as one of the "Valuable 20 Typical Providers of AI SaaS Intelligent Applications in 2024 (2024 AI SaaS智能應用典型供應商 Valuable 20)" and was selected among the first batch of companies enrolled in the "AI Cloud MSP Technical Service Laboratory (AI Cloud MSP技術服務實驗室)". The multimodal intelligent billing of Chanjet Good Business and Finance was shortlisted as a "2024 Typical Case of AI Cloud SaaS (2024年AI Cloud SaaS典型案例)", and the service programme in the overseas version of Good Business and Finance was selected as a "2024 Benchmark Case of Cloud Computing Overseas Service (2024年度雲計算出海服務標桿案例)". At the "2024 Industrial Internet Innovation and Development Conference (2024工業互聯網創新發展大會)" hosted by China Industrial Cooperation Association, the Company was awarded the "2024 Digital and Intelligent Transformation Demonstration Enterprise (2024數智化轉型示範企業)". Chanjet T+Cloud was selected as a "Typical Case of Industrial Internet in 2024 (2024工業互聯網典型案例)". The Company won the "2023 Outstanding Contribution Award for Managing Vulnerabilities (二零二三年度漏洞處置突出貢獻單位)" and "2023 Outstanding Contribution Unit for Vulnerability Handling (二零二三年度漏洞應急工作突出貢獻單位)" by CNVD at the 21st China Cybersecurity Annual Conference and Cybersecurity Collaborative Governance Sub-forum.

PROSPECTS

In 2025, the Group will continue to focus on the two major fields of digital intelligent finance and taxation and digital intelligent business for MSEs, and continue to expand the market share of finance and taxation cloud service for MSEs, with an aim to further establish a leading position in the finance and taxation cloud service market for MSEs and seize the leading position in the cloud service market for MSEs. Firmly adhering to the principle of customer success, the Group will make continuous efforts to improve product competitiveness, accelerate the global operation of product, fully advance the "AI-foremost" strategy, and expedite the application of AI technology in product innovation and corporate operation, adamantly pursue ecological co-prosperity, transform from application services to ecological platform services, promote the scalable development of businesses, and enhance operating efficiency and profitability.

(I) Strengthening its absolute leadership in digital intelligent finance and taxation by leveraging on the core advantages of relevant products, enhancing the competitive advantages of digital intelligent business products and improving the comprehensive competitiveness of business-finance integration products

The Group will continue to expedite product innovation and development. In terms of the digital intelligent finance and taxation, the Group will consolidate product leadership under the dual drivers of policy and technology in line with the "comprehensive intelligence" of the intelligent finance and taxation market, the "automation" of accounting agent tools, the "compliance" of professional accounting markets, and the "refinement" of business-finance integration markets. Supported by AI large model technology, the finance and taxation intelligent agent for automatic bookkeeping and tax filing will be continuously optimized and mature, and the intelligent finance and taxation BaaS service is poised to achieve scalable user growth. In terms of digital intelligent business, the Group will persistently enhance AI's supporting capabilities for products by launching a zero-code-centric agile delivery platform and introducing XiaoChang Intelligent Assistant service powered by AI Agent technology to elevate customers' intelligent experience. In terms of new commerce, new retail, new manufacturing and new service, the Group will focus on key industries to accelerate the development of front-end business characteristics and industry-specific features, further consolidate localized financial and operational attributes in international product versions, and extend its business development scope into global markets.

(II) Developing direct sales, distribution, and cooperative sales in parallel, expanding market coverage, and facilitating MSEs' digital and intelligent transformation and upgrading

The Group will continuously adhere to the principle of prioritising cloud service business and subscriptions, pursue scale-driven, platform-based, and ecosystem-oriented development, and enhance intelligent services. The Group will vigorously expand channel networks into lower-tier markets and increase workforce engagement, and through professional empowerment, strengthen the operational capabilities and personnel professional capacity building of value-added distribution service providers, thereby advancing business model upgrades. By capitalizing on opportunities arising from digital transformation projects of small and medium scale enterprises in different regions and AI technology advancements, the Group will enhance customer acquisition and refined operation capabilities to drive sustained growth in business revenue. In the "Five-New" fields, the Group will focus on the economic and industrial belt to strengthen the stronghold for industrialized and digital intelligent operation for MSEs, and consistently carry out diversified marketing activities to facilitate the digital intelligent transformation and upgrading of MSEs.

In the direct sales channel, the Group will speed up development. Efforts will be made to continuously improve data and content infrastructure to enable data-driven decision-making and content-enhanced conversion, thereby building a highly efficient marketing system. By leveraging AI technology to empower full-chain operations, the Group aims to precisely enhance customer acquisition efficiency and sales conversion rates. Through AI-driven content distribution, customer insights, solution optimization, and intelligent communication tactics, business efficiency and customer full life cycle value will be comprehensively elevated. The Group will implement a channel-specific strategy, including tiered operations, accurate user profiling, content operations, and social media matrix marketing. It will establish an operational system spanning "acquisition–conversion–repurchase–dissemination" to holistically improve user reach, sales conversion, and customer success outcomes, ultimately achieving sustainable growth in direct sales business.

In terms of the ecosystem cooperation, the Group will expand high-quality channels, increase value traffic, and grasp high-efficiency revenues. The Group will collaborate with ecosystem partners to enhance the customer application value and depth of products; continue to strengthen its in-depth cooperative relations with telecom operators, banks, Internet platforms and other strategic partners as a way to continuously broaden the coverage of the terminal market and promote the scalable development of business; and expand low-code or zero-code developers and ISV ecosystem partners, strengthen product integration, and enrich product application scenarios to enhance product competitiveness and expand source of revenue.

In terms of customer success operation, the Group will deepen insights into customer business processes, and precisely segment and categorize customers. Grounded in a customer full life cycle perspective, the Group will execute refined process management to thoroughly explore and continuously drive customer value growth. Leveraging AI to enhance service efficiency, the Group will utilize AI-powered robots and customer success models to predict customer issues in advance. This enables the creation of proactive, personalized, and scenario-based service models that thoroughly understand core customer demands, expand service coverage, and satisfy diversified needs of customers. With a strengthened customer-value orientation, the Group will empower partners to deliver customers multi-tiered application value in an all-round way. While achieving customer success, the Group will facilitate mutual growth between partners and customers.

(III) Building a strong team by strengthening capabilities, cultivating talents and improving staff efficiency

The Group will comprehensively enhance organizational capability by optimizing talent development frameworks, precisely identifying core competencies, continuously refining workforce allocation, and formulating targeted enhancement plan. Through upgrading compensation structures and exploring innovative performance evaluation mechanisms, the Group aims to stimulate team vitality and propel business growth with greater efficiency. The Group will continue to deepen the implementation of corporate cultural values to enhance team cohesion and foster a sense of belonging. Our goal is to build a healthy organization that flexibly adapts to market changes and maintains efficient internal operations, and ultimately achieve sustainable development objectives. The Group will consistently reinforce organizational and talent competitiveness to ensure steady progress amid rapid market changes, so as to lay a solid foundation for the sustainable and healthy development.

FINANCIAL REVIEW

	For the year ended 31 December		Change in	Percentage
	2024	2023	amount	change
	RMB'000	*RMB'000*	*RMB'000*	*%*
Revenue	**959,273**	800,621	158,652	20
Cost of sales and services provided	**(267,226)**	(262,022)	(5,204)	2
Gross profit	**692,047**	538,599	153,448	28
Gross profit margin	**72%**	67%	5%	
Other income and gains, net	**52,962**	136,398	(83,436)	(61)
Research and development costs	**(210,844)**	(247,340)	36,496	(15)
Selling and distribution expenses	**(408,008)**	(335,535)	(72,473)	22
Administrative expenses	**(82,893)**	(67,943)	(14,950)	22
Impairment losses on financial assets	**(3,283)**	(628)	(2,655)	423
Other expenses	**(391)**	(592)	201	(34)
Finance costs	**(425)**	(989)	564	(57)
Share of loss of an associate	**(5,171)**	(274)	(4,897)	1,787
Profit before tax	**33,994**	21,696	12,298	57
Income tax expense	**(530)**	(5,820)	5,290	(91)
Profit for the year	**33,464**	15,876	17,588	111
Attributable to:				
Owners of the parent	**33,464**	15,876	17,588	111

Operating Results

During the Reporting Period, the revenue of the Group was RMB959.27 million, representing an increase of 20% as compared to last year. Profit for the year and profit attributable to owners of the parent were both RMB33.46 million, representing an increase of 111% as compared to last year. The basic earnings per share of the Group were RMB0.104, representing an increase of 108% as compared to last year.

During the Reporting Period, the Group recorded a profit attributable to the owners of the parent of RMB33.46 million, as compared to a profit attributable to the owners of the parent of RMB15.88 million last year, among which: (i) the gain recognised from the disposal of the Finance & Taxation Practical Skills Training Product and Service Business was RMB43.75 million last year (for details, please refer to the announcement of the Company dated 24 March 2023 in relation to the disposal of the Finance & Taxation Practical Skills Training Product and Service Business), whereas there was no such gain for the current year; and (ii) a fair value gain on unlisted equity investments at fair value through profit or loss was RMB36.80 million last year, whereas a fair value gain of RMB0.13 million was recorded for the current year. After excluding the impact of non-operating factors in (i) and (ii), the Group's profit attributable to owners of the parent during the Reporting Period amounted to RMB33.34 million, representing a significant turnaround from the loss attributable to owners of the parent of RMB64.68 million last year, which was mainly because (i) the Group firmly implemented the long-term strategy of prioritising cloud service business and subscriptions, leading to the continuous expansion of its new paying enterprise users scale and rapid growth in revenue; and (ii) the Group promoted the scalable and efficient development of businesses, resulting in gross profit margin increasing by 5 percentage points over last year as well as an improvement in staff efficiency and a decrease in labor costs as compared to last year.

Revenue

For the year ended 31 December 2024, the revenue of the Group was RMB959.27 million, representing an increase of 20% as compared to last year, of which revenue from cloud subscriptions was RMB653.81 million, representing an increase of 34% as compared to last year. Revenue from cloud subscriptions accounted for 68% of the total revenue.

Cost of Sales and Services Provided

For the year ended 31 December 2024, the Group's cost of sales and services provided amounted to RMB267.23 million, representing an increase of 2% as compared to last year.

The following table sets forth a breakdown of cost of sales and services provided of the Group by nature:

	For the year ended 31 December				Change in	Percentage
	2024		2023		amount	change
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Contract operation costs	**206,487**	**77**	206,098	79	389	0
Labour costs	**25,585**	**10**	16,964	6	8,621	51
Operation and maintenance costs	**17,481**	**7**	19,213	7	(1,732)	(9)
Service costs	**14,596**	**5**	11,358	4	3,238	29
Amortisation of intangible assets	**20**	**0**	4,206	2	(4,186)	(100)
Software development and production costs	**765**	**0**	1,069	1	(304)	(28)
Other costs	**2,292**	**1**	3,114	1	(822)	(26)
Cost of sales and services provided	**267,226**	**100**	262,022	100	5,204	2

Gross Profit and Gross Profit Margin

For the year ended 31 December 2024, the Group's gross profit was RMB692.05 million, representing an increase of 28% over last year, which was mainly due to the expansion of revenue scale of cloud subscriptions, and meanwhile the increase in the gross profit margin from cloud subscriptions business during the Reporting Period, resulting in the Group's gross profit margin increasing by 5 percentage points over last year to 72%.

Other Income and Gains, Net

For the year ended 31 December 2024, the Group's other income and gains, net amounted to RMB52.96 million, representing a decrease of 61% over last year, which was mainly because: (i) the gain recognised from the disposal of the Finance & Taxation Practical Skills Training Product and Service Business of RMB43.75 million was recorded last year, whereas there was no such gain for the current year; and (ii) a fair value gain on unlisted equity investments at fair value through profit or loss of RMB36.80 million was recorded last year, whereas a fair value gain of RMB0.13 million was recorded for the current year.

Total Research and Development Investment

	For the year ended 31 December				Change in	Percentage
	2024		2023		amount	change
	RMB'000	***%***	*RMB'000*	*%*	*RMB'000*	*%*
Research and development costs	**210,844**	**92**	247,340	100	(36,496)	(15)
Additions to deferred development costs	**18,143**	**8**	–	–	18,143	N/A
Total research and development investment	**228,987**	**100**	247,340	100	(18,353)	(7)

For the year ended 31 December 2024, the Group's total research and development investment costs amounted to RMB228.99 million, representing a decrease of 7% as compared to last year, which was mainly due to the decrease in labour costs. Among which, research and development costs amounted to RMB210.84 million, representing a decrease of 15% as compared to last year, and additions to deferred development costs amounted to RMB18.14 million during the year.

Selling and Distribution Expenses

For the year ended 31 December 2024, the selling and distribution expenses of the Group were RMB408.01 million, representing an increase of 22% as compared to last year, which was mainly due to the corresponding increase in sales and promotion expenses as a result of the Group's continuous promotion of the scalability of the business, proactive diversification of the layout of its business partners and increase in its investment in direct sales during the Reporting Period.

Administrative Expenses

For the year ended 31 December 2024, the administrative expenses of the Group were RMB82.89 million, representing an increase of 22% as compared to last year, which was mainly due to the increase in labour costs (including the compensation for loss of office) as compared to last year.

Income Tax Expense

For the year ended 31 December 2024, the income tax expense of the Group amounted to RMB0.53 million, representing a decrease of 91% as compared to last year, which was mainly attributable to the decrease in income tax expense arising from the significant reduction in deferred tax liabilities in respect of gain on change in fair value on unlisted equity investments.

Profit Attributable to Owners of the Parent

For the year ended 31 December 2024, the Group recorded a profit attributable to owners of the parent of RMB33.46 million, representing an increase of 111% as compared to a profit attributable to owners of the parent of RMB15.88 million last year.

Liquidity

Condensed cash flow statement

	For the year ended 31 December		
	2024	2023	Change in amount
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from/(used in) operating activities	**91,296**	(42,048)	133,344
Net cash flows used in investing activities	**(378,558)**	(65,692)	(312,866)
Net cash flows used in financing activities	**(7,878)**	(7,432)	(446)

Net cash flows from/(used in) operating activities

For the year ended 31 December 2024, net cash flows from operating activities of the Group was RMB91.30 million, while net cash flows used in operating activities of the Group was RMB42.05 million last year. The operating cash flows turned from negative to positive, which was mainly due to the increase in receipts from the Group's cloud services business and the decrease in the related payments to employees.

During the Reporting Period, the Group paid a total of RMB28.98 million (last year: RMB74.88 million) in cash to employees under the long-term employee incentive point scheme and the long-term incentive bonus scheme.

Net cash flows used in investing activities

For the year ended 31 December 2024, net cash flows used in investing activities of the Group was RMB378.56 million, representing an increase of RMB312.87 million as compared to the net cash flows used in investing activities of RMB65.69 million last year, which was mainly due to the Group's purchases of time deposits and capital increase to Beijing Chanjet Payment Technology Co., Ltd., an associate of the Company, during the Reporting Period.

Net cash flows used in financing activities

For the year ended 31 December 2024, net cash flows used in financing activities of the Group was RMB7.88 million, which was mainly due to the payment of lease principal and interest under the application of "IFRS 16 – Lease".

Capital Structure and Financial Resources

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**1,259,031**	1,037,565
Wealth management products presented in financial assets at fair value through profit or loss	**–**	153,055
Total	**1,259,031**	1,190,620
Current ratio[Note 1]	**193%**	229%
Gearing ratio[Note 2]	**0%**	0%

Notes:

1. Current ratio was calculated based on the total current assets divided by total current liabilities.

2. Gearing ratio was calculated based on the total interest-bearing liabilities (other than lease liabilities) divided by total equity.

Cash and bank balances of the Group were mainly denominated in RMB, with certain amount denominated in Hong Kong dollars and small amount denominated in United States dollars, details of composition of the currency form are set out in note 14 to the financial statements. Cash and bank balances of the Group were mainly used for business development and daily operations, acquisitions and capital expenditure, payments of dividend, etc. With accumulated funds from previous operations and stable cash inflows generated from the daily business operations, the Group has sufficient resources for future development.

The funds management policy of the Group is to maintain the continuity of funding and maintain an optimal capital structure to reduce the cost of capital and ensure the sustainable operation of the Group, with an aim to provide returns for shareholders and benefits for other stakeholders.

The current ratio of the Group as at 31 December 2024 was 193% (31 December 2023: 229%). The decrease in the current ratio was mainly due to the decrease in current assets as a result of the Group's purchase of certain time deposits with a maturity of more than one year, as well as an increase in contract liabilities of current liabilities.

As at 31 December 2024, as the Group had no interest-bearing liabilities (other than lease liabilities), the Group's gearing ratio was nil (31 December 2023: Nil).

Capital Expenditure

For the year ended 31 December 2024, the capital expenditure of the Group primarily included the additional expenditure on property, plant and equipment of RMB1.06 million (2023: RMB0.79 million); the additional expenditure on right-of-use assets (mainly refers to leased office buildings) of RMB3.45 million (2023: RMB1.05 million); and the additional expenditure on intangible assets of RMB18.15 million (2023: RMB0.32 million).

Contingent Liabilities

As at 31 December 2024 and 31 December 2023, the Group had no significant contingent liabilities.

Charges on Assets

As at 31 December 2024 and 31 December 2023, the Group did not have any charges on assets.

Significant Investments

During the Reporting Period, the Group did not have any single significant investment with a value of 5% or more of the Group's total assets at the end of the Reporting Period. The Board did not approve any major investment or plan on acquisition of capital assets as at the date of this announcement.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisition or disposal in relation to subsidiaries, associates and joint ventures.

Foreign Exchange Fluctuation Risks

The Group conducts its domestic business primarily in RMB, which is also its functional currency. Chanjet Information Technology Corporation, a subsidiary of the Company, settles in United States dollars. As the Group's current operations are mainly located in China and the vast majority of its transactions are conducted in RMB, and the amount of cash and bank balances denominated in foreign currencies is relatively small, the management considers that the Group's exposure to foreign exchange fluctuation risks is not significant and therefore no hedging arrangement has been made by the Group during the Reporting Period. The Group, mainly through closely monitoring the foreign exchange fluctuation, conducts foreign exchange settlement and foreign exchange for the balances of proceeds raised when appropriate to mitigate foreign exchange fluctuation risks.

Interest Rate Risks

The Group did not assume any debt obligations with a floating interest rate, and thus there was no interest rate risk in this regard.

Subsequent Events

As at the date of this announcement, the Group had no significant events after the Reporting Period which need to be disclosed.

ANNUAL CAPS OF THE SHORT-TERM LEASES UNDER THE NEW PROPERTY LEASING FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 30 December 2024 and, on the same day, the Company entered into the Property Leasing Framework Agreement (the "**New Property Leasing Framework Agreement**") with Yonyou Network Technology Co., Ltd. ("**Yonyou**"), pursuant to which Yonyou and its subsidiaries (other than the Group) agreed to continue to lease the property to the Group (including long-term leases and short-term leases). The term of the New Property Leasing Framework Agreement shall take effect from 1 January 2025 and expire on 31 December 2027. For the short-term leases under the New Property Leasing Framework Agreement, the Company expects that the annual rental expenses of the Group for each of the years from 2025 to 2027 (aggregated with property fee and other rental expenses) will be below the de minimis threshold for exemption under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and the relevant annual caps are RMB800,000, RMB800,000 and RMB900,000, respectively.

EMPLOYEE AND ORGANIZATION GUARANTEE

As at 31 December 2024, the Group had 982 employees in total (31 December 2023: 1,110 employees), representing a decrease of 12% from the end of the previous year. During the Reporting Period, in order to promote the development of business scale and efficiency, the Group continued to optimize its organizational structure, create a marvelous team and improve staff efficiency. The Group has introduced different performance management systems in each of its business divisions based on their business characteristics, with an aim to continuously stimulate team dynamics and enhance overall organizational effectiveness. Regarding team building, the Group focused on cultivating and developing senior management and expert talents, conducted a stocktaking on the talent pool to identify key positions, and focused on the construction of core talent teams. In terms of staff motivation, the Group has adopted a series of measures such as long-term incentive plans, reform of the remuneration and benefit system, and enhanced the corporate culture to improve employees' sense of belonging, stimulate their motivation and innovation, and strengthen the competitiveness of the organization.

TRAINING PROGRAMS

The Group regarded employee development as the foundation of the Company's development, and constantly improved the professionalism and comprehensive skills of employees to help employees better realize their own value at work. In pursuance with Chanjet Employees Training Management System (《暢捷通員工培訓管理制度》), the Group's annual master plan, the annual work strategies of each business center and the annual objectives of human resources, along with the Group's mission and vision, the Group has established and implemented an annual training plan.

During the Reporting Period, the Group was committed to continuously relying on management for efficiency and improving its organisational efficiency. In accordance with the Group's long-term development objectives and based on the enterprise value chain, the Group established a dual-channel, sub-organizational and hierarchical training system to meet the training needs of employees at each department, level and different development channels. At the same time, the Group designed and implemented phased competency enhancement training programs in accordance with the requirements of the Group's short-term business strategies on employees' competency to meet short-term business development needs. The Group carried out trainings for new employees on the development history of the enterprise, knowledge on the products and businesses and financial and human resources policies, etc.; carried out professional knowledge, industry cutting-edge theoretical training courses and special training camps for general employees; carried out training courses for reserve cadres and key personnel on management knowledge and skills enhancement, and carried out training programs on knowledge of strategic design and implementation for senior management. Based on the needs of the Group's business development, the Group carried out a comprehensive training program on strategic knowledge and skills for each department, so as to better equip employees with the responsiveness required for executing the strategy. The Group valued the results and effectiveness of training, and issued training satisfaction questionnaires after training. Through analyzing the questionnaires and listening to employees' feedback, post-training exercise feedback, interviews and observations, the Group paid attention to the behavioral improvement of the trainees, which in turn optimized the training programs and training course arrangement, so as to continuously improve the training system.

REMUNERATION POLICY

The Remuneration and Appraisal Committee was established under the Board, which is mainly responsible for the appraisal of the Directors and senior management and reviewing their remuneration, and providing advice and recommendations. Directors (other than independent non-executive Directors) and the supervisors of the Company (the "**Supervisors**") (other than independent Supervisors) do not receive any remuneration from the Company for their directorships or supervisorships. Mr. Yang Yuchun (an executive Director), Ms. Ren Jie and Ms. Xia Yuhan (the employee representative Supervisors) are in charge of management or business of the Company and receive remuneration from the Company for their positions of management or business leader of the Company. The allowances of independent non-executive Directors and independent Supervisors are determined by taking into account, among other things, the remuneration paid by similar companies, time commitment and responsibilities and considered and determined at the general meeting of the Company. Each independent non-executive Director is entitled to receive an allowance of RMB150,000 (tax inclusive) per year while each independent Supervisor is entitled to receive an allowance of RMB80,000 (tax inclusive) per year. The Remuneration and Appraisal Committee will consider the remuneration policy of senior management and then propose to the Board for approval. Such remunerations are determined mainly based on the principles of fairness, linkage to performance, combination of short-term and long-term incentives, and combination of incentives and constraints, wherein fairness refers to the competitiveness of the remuneration offered by the Company compared with the income level of equivalent positions in the market; and the remuneration of each position within the Company reflects the value of the position to the Company and the unity of "responsibilities, rights and benefits".

The Group has established a market-based, competitive and performance-oriented remuneration policy with reference to market standards, employee performance and contributions. Remuneration of the staff of the Group is determined by taking into account their respective rank of positions, segment, business line, region, etc. Remuneration of the staff includes basic salary, performance-based bonus and allowance. In particular, basic salary is payable monthly while performance-based bonus is payable in appropriate forms based on each appraisal period and specific management requirements of the Company pursuant to the relevant laws and regulations of the PRC. Allowance comprises work allowance, public welfare and statutory welfare, etc. The Group has paid housing provident fund and social security insurance for its employees on a monthly basis in compliance with relevant national and local laws and regulations regarding labour and social security insurance which includes pension insurance, medical insurance, unemployment insurance, maternity insurance and occupational injury insurance, etc. During the Reporting Period, details of the remuneration of the staff charged to the Group were set out in the note 5 to the financial statements. In order to attract, retain and motivate key talents needed for the achievement of the Company's strategic objectives, the Company has adopted the employee share ownership scheme, the long-term incentive bonus scheme and other long-term cash incentive measures.

USE OF PROCEEDS

The Company's H Shares were listed and traded on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 26 June 2014, from which the Company raised proceeds totaling HK$900.90 million. After deducting relevant expenses of issuance, the net proceeds were HK$854.96 million. The Company disclosed in its prospectus dated 16 June 2014 (the "**Prospectus**") that the net proceeds raised from the listing shall be used for the following purposes within two years. To the extent that the net proceeds are not immediately applied to the purposes below, the Company intends that such proceeds will be placed in short-term interest-bearing instruments or money market funds with licensed banks or financial institutions in Mainland China or Hong Kong.

According to the intended use of proceeds disclosed in the Prospectus by the Company, the actual usage and intended timetable for use of the unutilised proceeds as at 31 December 2024 are detailed as follows:

Planned use	Budgeted amount	Amount used during the Reporting Period	Accumulated amount used	Unutilised amount	Intended timetable for use of the unutilised amount
	HK$	*HK$*	*HK$*	*HK$*	
For the R&D and marketing of the T+ series software products	Approximately 290.69 million	–	Approximately 290.69 million	–	N/A
For the R&D of cloud platform and innovative application products	Approximately 194.08 million	–	Approximately 194.08 million	–	N/A
To support the marketing and operation of cloud services	Approximately 199.21 million	–	Approximately 199.21 million	–	N/A
To acquire relevant business and assets compatible with business strategies	Approximately 85.49 million	–	Approximately 4.66 million	Approximately 80.83 million	On or before 31 December 2025 and subject to the identification of target(s) by the Company
To fund general working capital	Approximately 85.49 million	–	Approximately 85.49 million	–	N/A
Total	Approximately 854.96 million	–	Approximately 774.13 million	Approximately 80.83 million	

As at 31 December 2024, the unutilised proceeds of the Company are the funds for acquisition of relevant business and assets compatible with our business strategies, mainly due to the fact that the Company has not yet identified any relevant business and assets compatible with our business strategies. The balance of the net unutilised proceeds has been deposited into reputable banks in Hong Kong and Mainland China, and the Company will continue to utilise it in a manner consistent with the planned usages of the proceeds as disclosed in the Prospectus in accordance with the abovementioned intended timetable.

DIVIDEND

The Board did not recommend the distribution of any final dividend for the year ended 31 December 2024 (2023: Nil).

During the Reporting Period, there is no arrangement made by any shareholder of the Company on waiving or agreeing to waive any dividend.

CLOSURE OF REGISTER OF MEMBERS

The 2024 annual general meeting of the Company ("**AGM**"), the 2025 first class meeting of holders of the Domestic Shares and the 2025 first class meeting of holders of the H Shares (collectively referred to as the "**Class Meetings**") will be held on Tuesday, 20 May 2025 at Meeting Room E102, Building 8, Central District of Yonyou Industrial Park (Beijing), 68 Beiqing Road, Haidian District, Beijing, the PRC. The notices for convening the AGM and the Class Meetings will be released in the manner required by the Listing Rules in due course.

For the purpose of determining shareholders' eligibility to attend and vote at the AGM and the Class Meetings, the Company's register of members will be closed as set out below:

– Latest time to lodge transfer documents for registration	At 4:30 p.m. 14 May 2025 (Wednesday)
– Closure of register of members	15 May 2025 (Thursday) to 20 May 2025 (Tuesday) (both dates inclusive)
– Record date	20 May 2025 (Tuesday)

In order to be qualified to attend and vote at the AGM and the Class Meetings, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares), or to the Board Office of the Company in the PRC, at Floor 3, Building 3, Yard 9, Yongfeng Road, Haidian District, Beijing, the PRC (for holders of Domestic Shares), no later than the aforementioned latest time.

CORPORATE GOVERNANCE

During the Reporting Period, the Company has fully complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

MATERIAL LEGAL MATTERS

To the knowledge of the Board, as at 31 December 2024, the Group was not involved in any material litigation or arbitration, and there was no legal litigation or claims pending or may be raised which might significantly threaten the Group.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, and requires Directors and Supervisors to deal with securities in accordance with the Model Code. After making specific enquiries by the Company, all Directors and Supervisors have confirmed that they had fully complied with the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares within the meaning of the Listing Rules). As at 31 December 2024, the Company did not hold any such treasury shares.

AUDIT COMMITTEE

During the Reporting Period and up to the date of this announcement, the Audit Committee of the Company consisted of Mr. Lau, Chun Fai Douglas, an independent non-executive Director, Mr. Wu Zhengping, a non-executive Director, and Ms. Wu Xiaoqing, an independent non-executive Director, among whom, Mr. Lau, Chun Fai Douglas was the chairman of the committee. The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed and reviewed the matters on, among others, risk management and the internal control, enterprise risk assessment, financial statements and the effectiveness of the internal audit function, including the review of audited annual results and annual report for the year of 2024, on which they had no dissenting opinion.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the websites of the Company (www.chanjet.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The 2024 annual report and the notices of the AGM and the Class Meetings will be released within the time provided by the Listing Rules as required by the Hong Kong Stock Exchange.

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

Beijing, the PRC
27 March 2025

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. Lau, Chun Fai Douglas, Ms. Wu Xiaoqing and Mr. Cui Qiang.

* *For identification purposes only*