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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Percentage Change %
	2025	2024	
	(Unaudited) RMB'000	(Unaudited) RMB'000	
Revenue	483,109	452,883	7
Gross profit	336,901	327,125	3
Profit/(loss) attributable to owners of the parent	33,513	(9,879)	N/A
Basic earnings/(loss) per share (RMB)	0.105	(0.031)	N/A

The board (the “**Board**”) of directors (the “**Directors**”) of Chanjet Information Technology Company Limited (the “**Company**”) did not recommend the distribution of any interim dividend for the six months ended 30 June 2025.

* For identification purposes only

The Board hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) together with the comparative figures in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Notes		
Revenue	4	483,109	452,883
Cost of sales and services provided	5	<u>(146,208)</u>	<u>(125,758)</u>
Gross profit		336,901	327,125
Other income and gains, net	4	32,719	17,612
Research and development costs	5	(100,618)	(102,490)
Selling and distribution expenses		(194,500)	(216,820)
Administrative expenses		(35,879)	(35,231)
Impairment losses on financial assets		(2,156)	(244)
Other expenses		(1,656)	(248)
Finance costs		(301)	(314)
Share of loss of an associate	9	<u>(819)</u>	<u>(1,317)</u>
Profit/(loss) before tax	5	33,691	(11,927)
Income tax (expense)/credit	6	<u>(178)</u>	<u>2,048</u>
Profit/(loss) for the period		<u>33,513</u>	<u>(9,879)</u>
Attributable to:			
Owners of the parent		<u>33,513</u>	<u>(9,879)</u>
Earnings/(loss) per share attributable to ordinary equity holders of the parent			
Basic and diluted (<i>RMB cents</i>)	8	<u>10.5</u>	<u>(3.1)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit/(loss) for the period	<u>33,513</u>	<u>(9,879)</u>
Other comprehensive (loss)/income		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(9)</u>	<u>12</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(9)</u>	<u>12</u>
Total comprehensive income/(loss) for the period	<u>33,504</u>	<u>(9,867)</u>
Attributable to:		
Owners of the parent	<u>33,504</u>	<u>(9,867)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
Non-current assets			
Property, plant and equipment		3,342	1,746
Right-of-use assets		12,902	2,855
Intangible assets		30,121	18,898
Investment in an associate	9	29,292	30,111
Equity investments at fair value through profit or loss	10	68,865	60,924
Deferred tax assets		11,837	12,009
Prepayments, other receivables and other assets	12	88,647	74,631
Cash and bank balances	13	121,045	325,059
Total non-current assets		366,051	526,233
Current assets			
Inventories		434	696
Trade and bills receivables	11	59,168	59,187
Prepayments, other receivables and other assets	12	170,044	174,574
Cash and bank balances	13	1,213,258	933,972
Total current assets		1,442,904	1,168,429
Current liabilities			
Trade payables	14	10,853	9,888
Contract liabilities	15	506,017	455,692
Other payables and accruals	16	121,079	136,823
Lease liabilities		5,281	1,494
Total current liabilities		643,230	603,897
Net current assets		799,674	564,532
Total assets less current liabilities		1,165,725	1,090,765

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
Non-current liabilities			
Lease liabilities		7,105	924
Contract liabilities	15	<u>221,843</u>	<u>186,568</u>
Total non-current liabilities		<u>228,948</u>	<u>187,492</u>
Net assets		<u><u>936,777</u></u>	<u><u>903,273</u></u>
Equity			
Equity attributable to owners of the parent			
Issued capital		325,772	325,772
Treasury shares held under employee trust benefit scheme		(28,519)	(28,519)
Reserves		<u>639,524</u>	<u>606,020</u>
Total equity		<u><u>936,777</u></u>	<u><u>903,273</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 reporting period, 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; 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 as at 30 June 2025 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 TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

30 June 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Notes:

- (a) The paid-in capital of Chanjet U.S. as at 30 June 2025 was USD10,300,000.
- (b) The paid-in capital of Chanjet Yunhui as at 30 June 2025 was RMB10,000,000.
- (c) The paid-in capital of Chanjet Yunzhi as at 30 June 2025 was RMB3,000,000.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year end 31 December 2024.

The interim condensed consolidated financial information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended International Financial Reporting Standards ("IFRS") Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable.

As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated 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 period, including sales to a group of entities which are known to be under common control with any customer, no information about a major customer in accordance with IFRS 8 *Operating Segments* is presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Sale of products	116,769	118,791
Rendering of services	365,430	333,305
Sale of purchased goods	910	787
	<hr/>	<hr/>
Total	483,109	452,883
	<hr/> <hr/>	<hr/> <hr/>
Disaggregated revenue information for revenue from contracts with customers		
Geographical market		
Mainland China	482,704	452,842
Other countries/regions	405	41
	<hr/>	<hr/>
Total	483,109	452,883
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition		
Goods/services transferred at a point in time	135,134	130,541
Services transferred over time	347,975	322,342
	<hr/>	<hr/>
Total	483,109	452,883
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(Continued)

30 June 2025

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

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Value-added tax refunds	11,981	12,430
Government grants	185	140
Interest income	11,225	12,578
Others	18	110
	<hr/>	<hr/>
Total other income	23,409	25,258
Gains/(losses), net		
Fair value gains/(losses), net:		
Equity investments and wealth management products at fair value through profit or loss (<i>note</i>)	7,941	(8,670)
Exchange gains, net	–	607
Others	1,369	417
	<hr/>	<hr/>
Total gains/(losses), net	9,310	(7,646)
Total other income and gains, net	32,719	17,612
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Note:

Further details of equity investments at fair value through profit or loss are set out in note 10 to the financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of products sold	190	398
Cost of services provided	145,301	124,758
Cost of purchased goods sold	717	602
	<u>146,208</u>	<u>125,758</u>
Cost of sales and services provided	<u>146,208</u>	<u>125,758</u>
Depreciation of property, plant and equipment	812	1,575
Depreciation of right-of-use assets	3,191	3,607
Amortisation of intangible assets (note 1)	595	135
Lease payments not included in the measurement of lease liabilities	1,144	1,049
Research and development costs (note 2)	100,618	102,490
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):		
Wages and salaries	200,490	200,006
Equity-settled share-based payment expense	–	59
Pension scheme contributions (note 3)	19,247	20,672
Less: amount capitalised	(11,662)	(11,296)
	<u>208,075</u>	<u>209,441</u>
Foreign exchange differences, net	1,334	(607)
Impairment of financial assets	2,156	244
Fair value (gains)/losses, net:		
Equity investments and wealth management products at fair value through profit or loss	(7,941)	8,670

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

30 June 2025

5. PROFIT/(LOSS) BEFORE TAX (Continued)

Notes:

- (1) During the six months ended 30 June 2025, amortisation of intangible assets of approximately RMB507,000 (six months ended 30 June 2024: RMB10,000) was included in “Cost of sales and services provided” in the consolidated statement of profit or loss.
- (2) During the six months ended 30 June 2025, research and development costs of approximately RMB89,780,000 (six months ended 30 June 2024: RMB93,800,000) were included in employee benefit expenses.
- (3) 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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax	6	6
Deferred tax	<u>172</u>	<u>(2,054)</u>
Total tax charge/(credit) for the period	<u><u>178</u></u>	<u><u>(2,048)</u></u>

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 subsidiaries which are in Mainland China for the six months ended 30 June 2025 and 2024.

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 six months ended 30 June 2025 and 2024.

The subsidiary incorporated in the United States was subject to income tax at the rate of 21% during the six months ended 30 June 2025 and 2024.

7. DIVIDENDS

The Board did not recommend the distribution of final dividends for the year ended 31 December 2024.

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 320,427,005 (six months ended 30 June 2024: 321,798,399) in issue during the six months ended 30 June 2025, as adjusted to reflect the treasury shares held under employee trust benefit scheme.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2025.

The calculations of basic and diluted earnings/(loss) per share are based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent used in the basic and diluted earnings/(loss) per share calculation	<u>33,513</u>	<u>(9,879)</u>
	Number of shares For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculations	<u>320,427,005</u>	<u>321,798,399</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(Continued)

30 June 2025

9. INVESTMENT IN AN ASSOCIATE

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Investment in an associate	<u>80,350</u>	<u>81,169</u>
Provision for impairment	<u>(51,058)</u>	<u>(51,058)</u>
Total	<u>29,292</u>	<u>30,111</u>

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

Particulars of the associate are as follows:

Name	Nominal value of registered share capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Chanjet Payment Technology Co., Ltd. ("Chanjet Payment")	RMB300,000,000	Beijing, 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.

The following table illustrates the aggregate financial information of the Group's associate:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Share of the associate's loss for the period	(819)	(1,317)
Share of the associate's total comprehensive loss	<u>(819)</u>	<u>(1,317)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(Continued)

30 June 2025

9. INVESTMENT IN AN ASSOCIATE (Continued)

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Aggregate carrying amount of the Group's investment in the associate	<u>29,292</u>	<u>30,111</u>

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Unlisted equity investments, at fair value		
Beijing Yonyou Happiness Yunchuang Entrepreneurship Investment Centre (Limited Partnership)	4,150	3,059
Yonyou Mobile Telecommunications Technology Service Co., Ltd.	<u>64,715</u>	<u>57,865</u>
Total	<u>68,865</u>	<u>60,924</u>

The above equity investments as at 30 June 2025 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.

11. TRADE AND BILLS RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade receivables	64,323	62,755
Bills receivables	<u>347</u>	<u>183</u>
	64,670	62,938
Impairment allowance	<u>(5,502)</u>	<u>(3,751)</u>
Net carrying amount	<u>59,168</u>	<u>59,187</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

11. TRADE AND BILLS RECEIVABLES (Continued)

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:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 to 90 days	23,569	26,433
91 days to 180 days	8,117	5,076
181 days to 1 year	4,292	16,856
1 to 2 years	21,997	9,786
Over 2 years	1,193	1,036
Total	<u>59,168</u>	<u>59,187</u>

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.

The impairment loss on trade receivables arising from contracts with customers which was recognized by the Group for the six months ended 30 June 2025 was RMB1,751,000. The Group recognized certain impairment loss on trade receivables arising from contracts with customers of RMB244,000 for the six months ended 30 June 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Share purchase fund and dividend held by the trustee for share-based payments (notes 1 and 2)	5,694	7,060
Prepayments	209,436	190,963
Contract costs	33,359	41,802
Deposits, other receivables and other assets	11,551	10,325
	260,040	250,150
Impairment allowance	(1,349)	(945)
	258,691	249,205
Less: Non-current portion		
Share purchase fund and dividend held by the trustee for share-based payments (notes 1 and 2):		
Long-term receivables	5,694	7,060
Prepayments	77,052	62,827
Contract costs	3,175	3,120
Other assets	2,726	1,624
	88,647	74,631
Current portion	170,044	174,574

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 30 June 2025 and 31 December 2024, 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

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

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 30 June 2025 and 31 December 2024.

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 30 June 2025 and 31 December 2024, the loss allowance was assessed to be minimal.

13. CASH AND BANK BALANCES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash on hand	–	18
Bank balances	289,558	151,795
Time deposits	1,037,016	1,099,577
Cash balances at payment platforms (note 1)	<u>7,729</u>	<u>7,641</u>
Cash and bank balances	1,334,303	1,259,031
Less: Time deposits, non-current portion (note 2)	<u>121,045</u>	<u>325,059</u>
Cash and bank balances, current portion	1,213,258	933,972
Less: Non-pledged time deposits with original maturity of more than three months when acquired	631,838	423,785
Interest receivables	<u>28,961</u>	<u>17,628</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	<u>552,459</u>	<u>492,559</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

13. CASH AND BANK BALANCES (Continued)

Notes:

- (1) The amount represents cash balances kept with third party payment platforms, which can be withdrawn on demand.
- (2) 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.

14. TRADE PAYABLES

An ageing analysis of the trade payables as at 30 June 2025 and 31 December 2024, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 to 90 days	5,865	4,537
91 days to 1 year	1,672	3,139
Over 1 year	3,316	2,212
	<hr/>	<hr/>
Total	10,853	9,888
	<hr/>	<hr/>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Continued)

30 June 2025

15. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Sale of products and rendering of services	<u>727,860</u>	<u>642,260</u>
Analysed into:		
Current portion	506,017	455,692
Non-current portion	<u>221,843</u>	<u>186,568</u>

16. OTHER PAYABLES AND ACCRUALS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Tax payable	20,067	20,240
Staff payroll and welfare payables	45,823	79,589
Advances from customers	7,362	8,561
Other payables	<u>47,827</u>	<u>28,433</u>
Total	<u>121,079</u>	<u>136,823</u>

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

BUSINESS REVIEW

Development Trend of the Industry

In the first half of 2025, the state introduced a series of measures to further implement financial support and preferential tax and fee policies for micro and small scale enterprises (“MSEs”). In March 2025, seven ministries including the General Offices of the State Taxation Administration issued the Notice on Launching the 2025 Special Action of “Spring Rain Nourishes Seedlings” to Promote the Development of Micro and Small Scale Business Entities (《關於開展2025年助力小微經營主體發展「春雨潤苗」專項行動的通知》), initiating three major series of events – “enhancing service quality and efficiency”, “safeguarding healthy growth”, and “facilitating development and upgrades” for micro and small scale business entities, with 10 key service initiatives introduced. In May 2025, the General Office of the National Financial Regulatory Administration (NFRA) released the Notice on Effectively Enhancing Financial Services for Micro and Small Scale Enterprises in 2025 (《關於做好2025年小微企業金融服務工作的通知》), while eight ministries including the NFRA issued the Several Measures to Support Financing for Micro and Small Scale Enterprises (《支持小微企業融資的若干措施》), introducing 10 and 23 measures respectively. These efforts aim to “maintain the volume, improve the quality, stabilize the pricing, and optimize the structure” of financial services for MSEs, thereby further enhancing the financing situation of MSEs and individual businesses. These national policies will facilitate the long-term and healthy development of MSEs.

The Accounting Informatization Work Standards (《會計信息化工作規範》) and the Basic Functional and Service Standards for Accounting Software (《會計軟件基本功能和服務規範》), collectively the “**Two Standards**”) issued by the Ministry of Finance came into effect on 1 January 2025. The Two Standards systematically regulate the content of accounting informatization development for organizations, clarify the processing requirements of accounting data and the legal validity of electronic accounting materials, enhance the adaptability of accounting softwares and services in the new environment, strengthen multi-dimensional protection of accounting data by accounting softwares and services, and further emphasize the importance of accounting software services, etc. In May 2025, nine ministries including the Ministry of Finance jointly issued the Notice on Promoting the Application of Accounting Data Standards for Electronic Vouchers (《關於推廣應用電子憑證會計數據標準的通知》), specifying that “accounting softwares configured by organizations and accounting softwares provided by accounting software service providers shall be upgraded within three years from the date of implementation of the Two Standards to meet relevant requirements compatible with accounting data standards for electronic vouchers, thereby supporting the comprehensive application of accounting data standards for electronic vouchers by organizations.” These regulatory requirements provide guidance for enterprises and public institutions regarding the concepts, technologies, and methodologies of accounting informatization, which are conducive to accelerating the digital transformation of accounting work.

During the Reporting Period, AI agents emerged as a buzzword in the artificial intelligence sector, with the internationally renowned IT research and advisory firm Gartner listing AI agents as one of the top ten strategic technology trends for 2025. Increasingly applied across various industries, AI agents are reshaping enterprise operational and management approaches, signifying that the artificial intelligence industry's focus shifts toward practical application at an accelerated pace. As the Model Context Protocol (MCP) and Agent-to-Agent Protocol (A2A) are increasingly mature and adopted, the ecosystem development and scalable deployment of AI agents are being substantially accelerated. The year 2025 is poised to become a pivotal turning point for the large-scale commercial deployment of AI agents, which will also serve as a catalyst for the digital intelligent transformation of MSEs.

The aforesaid development trends of the industry have played a positive role in promoting the Group's development 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.

Principal Business and Operating Conditions

During the Reporting Period, the Group 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 fields of “new finance and taxation, new commerce, new retail, new manufacturing and new service” (the “**Five-New**”), enhanced the product advantages of the business-finance integration, and continuously iterated a next-generation enterprise-level AI-native application development platform to continuously improve product competitiveness. The Group continued to strengthen the channel layout, promoted the channel sinking to cover county-level market, and enhanced the market coverage in key regions in terms of density and breadth, thereby promoting the global expansion of business. The Group empowered value-added distribution service providers to improve customer acquisition and customer success operation capability by utilizing AI, big data and other technologies. The Group continued to enhance the ecological openness and integration capabilities of Chanjet's Open Platform, and sped up the diversified cooperation with ISV ecological partners, thereby enhancing the customer application value and application depth of our products. In terms of direct sales business, the Group established an efficient operational model and system, leveraged AI marketing to achieve scalable acquisition of business opportunity leads, and enhanced payment conversion rate through full-cycle operations, thereby achieving sustained and rapid growth in the direct sales business. The Group continued expanding data value-added services and intelligent finance and taxation services, while synergizing them with SaaS business to deliver multi-dimensional services to MSEs.

During the Reporting Period, the Group achieved a revenue of RMB483.11 million, representing an increase of 7% over the same period of last year, of which revenue from cloud subscriptions was RMB343.25 million, representing an increase of 12% over the same period of last year, and revenue from cloud subscriptions accounted for 71% of the total revenue; as at the end of the Reporting Period, contract liabilities from cloud subscriptions were RMB714.35 million, representing an increase of 14% over the end of last year. During the Reporting Period, the Group recorded a profit attributable to owners of the parent of RMB33.51 million, as compared to a loss attributable to owners of the parent of RMB9.88 million for the same period of last year; the basic earnings per share of the Group was RMB0.105, while the basic loss per share was RMB0.031 for the same period of last year.

During the Reporting Period, the Group recorded a net operating cash inflow of RMB83.76 million, representing an increase of 70% from a net operating cash inflow of RMB49.33 million for the same period of last year. The operating cash flow continued to improve. As of the end of the Reporting Period, the cash and bank balances of the Group amounted to RMB1,334.30 million, and the financial position of the Group continued to maintain healthy and stable.

During the Reporting Period, the number of newly-added paying enterprise users of the Group's cloud service business was 86,000, representing an increase of 17% over the same period of last year. As at the end of the Reporting Period, the number of accumulated paying enterprise users of the cloud service business reached 861,000.

1. Development of products

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

During the Reporting Period, as the comprehensive digital electronic invoices (the “**All-electronic Invoices**”) and the national unified and standardized electronic tax bureau (全國統一規範電子稅務局) (the “**New Electronic Tax Bureau**”) were comprehensively implemented, coupled with the explosive growth of AI technologies, finance and taxation services entered a new “intelligently-operated” phase. The Group leveraged a series of digital intelligent finance and taxation products to enable MSEs to achieve whole-process intelligent finance and taxation from intelligent bookkeeping, intelligent tax filing to tax compliance. Meanwhile, the Group deeply integrated AI technologies with SaaS products to provide financial analysis that supports business insights and decision-making. Our comprehensive digital intelligent services spanned financial statement and dashboard visualization, operational analysis and control, decision-making and innovation, promoting the deep integration of business and finance, thereby helping MSEs reduce accounting management costs and enhance operational efficiency.

During the Reporting Period, the digital intelligent finance and taxation of the Group further consolidated its comprehensive capabilities in invoice, finance, tax, fee, bank and filing. Leveraging AI technologies, digital intelligent finance and taxation products equipped enterprises with digital intelligent employees capable of efficiently processing transaction documents. Utilizing enterprise-specific, industry-wide, and general knowledge graphs, as well as expert finance and taxation rule engines, these products enabled data calibration, enterprise risk assessment and automated generation of accounting vouchers, and continuously optimized and improved the model performance through behavioral feedback mechanisms. Built upon the progressive popularization and adoption of the New Electronic Tax Bureau, in terms of digital intelligent finance and taxation, we further strengthened the invoice and taxation functionalities of products, expanding beyond the existing one-click tax filing to enhance capabilities for final settlement declarations, social security contributions, annual business reports, and some minor tax category declarations. Meanwhile, Chanjet Good Accountant (好會計) and Easy Accounting Agent (易代賬) launched multiple AI agents, including “Bookkeeping Guidance” (做賬指導), “Financial Data Analysis” (財務數據分析), and “Financial Report Generation” (財務報告生成), further driving intelligent development of finance and taxation. The “Financial Advisor” (財務參謀) feature, introduced by Chanjet Good Business and Finance (暢捷通好業財) and T+Cloud, empowered MSEs to enhance decision-making efficiency and quality by virtue of multi-dimensional, automated and intelligent financial analysis, thereby promoting the high-quality development of MSEs.

During the Reporting Period, the intelligent finance and taxation services providing fully automatic bookkeeping and tax filing services for micro enterprises were further improved in efficiency and accuracy by virtue of advancements in AI technologies and continuous model training. Meanwhile, we initiated an efficient business expansion model to lay a solid foundation for the scalable promotion of these services.

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

During the Reporting Period, in terms of digital intelligent business, we continued to strengthen product innovation and development in the fields of new commerce, new retail, new manufacturing and new service. In terms of new commerce, we strengthened the B2B operational model of the ordering mall at the front end and reinforced target management at the back end. Such efforts reduced costs and improved performance management for MSEs. In terms of new manufacturing, we focused on specialized industries by deepening the integration of production with business and finance, consistently targeted electronics, machinery, and metal processing sectors, and strengthened process management of core production models. We prioritized Engineer to Order (ETO) customization production by coordinating the full process of design-procurement-production-delivery to enhance fulfillment efficiency for complex orders; and optimized Assemble to Order (ATO) production process management to shorten order response time and balance “standardized production efficiency” with “customized configuration demands”, thereby extending and deepening the application of business-finance integrated solutions in manufacturing. In terms of new service, we launched modules for project cost and project fund management to refine project budget management and cover full life-cycle management of projects, further elevating the management value of the operators of MSEs.

During the Reporting Period, leveraging the steady advancement of low-code or zero-code platforms, we continuously strengthened product flexible scalability for the digital intelligent business to enhance service quality-price ratios, better address customers’ industry-specific and personalized needs, enhance customer satisfaction and reduce delivery costs.

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

During the Reporting Period, the ecological open integration capabilities of Chanjet's Open Platform completed its phase 2.0 upgrade, progressing from "basic connectivity" to "deep collaboration". Technically, interface standardization was conducted to continuously enhance integration efficiency. Meanwhile, through the consolidation of ecosystem resources, seamless linkage across the "platform + partners + third-party tools" was realized, laying a technical foundation for future service scenario expansion.

As of the end of the Reporting Period, the Open Platform continued to expand its ecosystem partners and developers, with certified ISVs exceeding 3,800 and developers on low-code or zero-code platform surpassing 4,300, developing over 7,600 applications. The Open Platform introduced multiple connectors enabling data exchange with third-party applications across core scenarios including invoice, taxation, e-commerce, payment, and bank-enterprise cloud integration, shifting third-party connectivity from "tool-level interoperability" to "direct access to specific scenario". The Anywhere Door (任意門), a connector application directly connecting with China's three mainstream collaborative office platforms, achieved "one-click switching" and data exchange between Chanjet SaaS products and collaborative office platforms, enhancing cross-scenario office efficiency. By continuously strengthening the ability to connect with ISV products, we further enriched the product layout and functions, better met the all-round, industry-specific and personalised management needs of MSEs, enhanced the competitiveness of the Group's SaaS products and expanded revenue sources.

(4) *Continuously escalating the information security management of cloud service*

The Group has consistently placed the protection of user information and privacy security at the core of its operations. Through mechanism refinement, technological innovation, and product upgrades, we have established an end-to-end security system encompassing "pre-event defense, in-event response, and post-event safeguards". Adhering to stringent standards and rigorous requirements, the Group safeguards user information and privacy security, and achieves dual enhancement of business growth and security capabilities.

During the Reporting Period, C.MSP (暢雲管家), the Group's independently developed one-stop application hosting platform, launched version 5.0, incorporating cutting-edge artificial intelligence technologies to deliver AI-powered security across all scenarios. The upgrade offered comprehensive security and operational maintenance services for MSEs, intelligently assisted MSEs in effectively defending against cyberattacks, and helped MSEs safely realise cloud integration and effectively use cloud.

2. Development of business operations

During the Reporting Period, capitalizing on the market opportunities arising from the nationwide popularization and adoption of All-electronic Invoices, the Group implemented two major market strategies in the field of finance and taxation popularization, namely the “Finance and Taxation Popularization Campaign” (財稅普及風暴) and “MSEs Care Initiative” (小微企業關愛行動), to provide intelligent finance and taxation services for MSEs to standardize financial accounting and mitigate tax risks. Meanwhile, we capitalized on market opportunities from the adoption of All-electronic Invoices to enhance the penetration of finance and taxation products. In terms of popularization in fields of purchase, inventory and sales, we further strengthened the support for product application scenarios, optimized customers’ application experience, and expanded market reach through matrix operations. Aligned with national digital transformation strategy for middle and small-sized enterprises, in the “Five-New” fields, we conducted the marketing campaign “Advanced 100 Visiting Customer Site” (先進100走進客戶現場), demonstrating the value of digital intelligent upgrade through application case sharing of benchmark customers and digital transformation seminars, as a way to provide digital intelligent upgrade solutions for the operation and management of MSEs.

During the Reporting Period, the Group continued to expand its channel layout to county-level markets and advanced into economically strong towns in developed regions, further enhancing the density and breadth of market coverage in key areas. This enabled our products and services to reach a wider range of MSEs, providing effective support for the Group’s business growth. The Group also built a new AI-enabled platform to empower value-added distribution service providers, enhancing their customer acquisition and customer operation capabilities, thereby achieving common growth and win-win development with value-added distribution service providers. In addition, the Group actively explored global development, expanding the “Chanjet Smart ERP” product to markets in Hong Kong and Macao of China, Southeast Asia, the Middle East, and other regions, assisting Chinese enterprises in going global and the digital intelligent transformation and upgrade of localized enterprises abroad.

In the direct sales channel, we continuously advanced standardized operations and refined management. By optimizing the distribution strategy, strengthening the synergy of the ecosystem platform, and intensifying the empowerment of AI, we improved efficiency throughout the entire chain from lead acquisition to closed-loop conversion. We upgraded the existing content operation model tailored to specific scenarios into a consistent marketing system covering multiple roles and cross stages, as well as a marketing system that deeply empowered the entire life cycle through AI intelligent applications, promoting high-quality growth in the direct sales business. During the Reporting Period, revenue from direct sales business increased by 54% year-on-year.

In the cooperative sales channel with ecosystem partners (“**cooperative sales**”), a three-dimensional development model of “ecological synergy + policy empowerment + customer benefit” was established. We continuously deepened mutually beneficial cooperation with telecom operators, IaaS providers such as Huawei Cloud, and bank enterprise service platforms, forming an ecological cooperation network featuring resource complementarity and scenario interconnection. We actively participated in the application and selection of digital transformation service providers for small and medium-sized enterprises in various pilot cities, have been successfully shortlisted for the recommended list of service providers in 21 pilot cities for digital transformation, and have driven partners to participate in the cloud-based enterprise projects carried out by local governments. We have deeply engaged in the “Benefiting Enterprises and Adding Value” (惠企添利) special service action, which was relaunched by the Ministry of Industry and Information Technology’s small and medium-sized enterprise service network in 2025, to assist MSEs in their digital intelligent transformation and high-quality development.

In terms of customer success, through the AI-driven efficiency enhancement and self-service upgrades, the service efficiency was effectively improved and the service costs was reduced. Manual services were deeply integrated into customer scenarios, enabling finance and taxation value-added services and business process refinement to facilitate customers from “being able to use” to “using well”, and then to “achieving business growth through product application”. The dual drivers of AI and manual services led to a significant increase in customer value. The continuous improvement of customer satisfaction and the full life cycle value provided long-term and sustainable support for the Group’s customer retention and revenue growth.

3. Development of brand and market

During the Reporting Period, according to the Special Analysis on China’s Micro and Small Scale Enterprise Cloud Finance and Taxation Services Market 2024 (《中國小微企業雲財稅服務市場專題分析2024》) released by Analysys (易觀), the Company has maintained the first place in terms of the market coverage rate of the cloud finance and taxation services for MSEs for five consecutive years. In the research and evaluation of core dimensions such as user satisfaction, product performance, and the overall strength of providers, the Company consistently ranked first.

During the Reporting Period, the Company was awarded the title of “Outstanding Member Unit of the Cloud Computing Standards and Open Source Promotion Committee” (雲計算標準和開源推進委員會優秀成員單位) for its outstanding contributions in the field of cloud computing. The Company continuously strengthened its operations in specific industries and by virtue of leading service capabilities and innovative practices, won the “Digital Service Provider Gold Pine Award” (數字化服務商金柏獎) at the 10th China Fast-Moving Consumer Goods Innovation Conference (第十屆中國快消品創新大會). In response to the deep integration of AI and industries, the Company anchored on the “digital intelligent engine” strategy, and driven by AI and data, built an ecological closed loop of a learning organization. By virtue of innovative practices, the Company was successfully shortlisted for the “2025 Leading List of Enterprise Digital Intelligence Talent Development” (2025企業數智人才發展領航榜) at the DTDS Global Digital Intelligence Talent Development Conference (DTDS全球數智人才發展大會). With its outstanding product capabilities, professional service strength, and innovative practices and technological breakthroughs in the bookkeeping field, the Company was shortlisted for the “2024 Corporate Finance and Tax Service Innovation Ranking” (2024企業財稅服務創新排行榜) and the “2025 China Top 50 Finance and Tax Service Enterprises” (2025中國財稅服務企業TOP50) list jointly released by Internet Weekly (《互聯網週刊》), eNet Research Institute and Deben Consulting. Meanwhile, several products of the Group were included in the 2024 “ToB Enterprise Cloud Application and Service Industry Map” (ToB企業雲應用與服務產業圖譜) released by the China Academy of Information and Communications Technology. “Chanjet Intelligent Financing” (暢捷智融), an accounting data credit enhancement financing service platform for MSEs, was selected as a “2025 Data Element Application Innovation Typical Case” (2025數據要素應用創新典型案例) at the 2025 Second Data Element Innovation Development Conference (2025第二屆數據要素創新發展大會) hosted by the China Industrial Cooperation Association, becoming a model of innovative application of data elements in the financial service sector.

4. Development of employees and organisations

As at the end of the Reporting Period, the Group had 991 employees in total, remaining basically the same as that at the end of the previous year. During the Reporting Period, the Group oriented its operations towards efficiency. We optimized the organizational structure, implemented refined operation management, and strengthened the performance management system to enhance human output and efficiency. In terms of team building, we strengthened the selection and training of cadres, experts, and core talents, and established an empowerment system aimed at enhancing organizational capabilities. In terms of employee incentives and retention, we strengthened the exemplary role of innovation and result-oriented incentives and enhanced employee care, providing a solid talent guarantee for the long-term healthy development of the Group.

PROSPECTS

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-supreme” strategy, and expedite the application of AI technologies 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.

1. Strengthening its absolute leadership in digital intelligent finance and taxation by leveraging 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, and implement the “AI-supreme” strategy. It will further expand the application of AI agents and accelerate the intelligent development of products by focusing on digital intelligent employees and digital intelligent analysis. In terms of digital intelligent finance and taxation, the Group will fully expedite the development of intelligent finance and taxation services that provide fully automated bookkeeping and tax filing services for micro enterprises. By leveraging AI large model technologies, the Group will continuously improve efficiency and accuracy, and accelerate the achievement of scalable user growth. In line with the current development trend of finance and taxation, the Group will extend from basic finance to full-role finance and taxation empowerment, achieving “online full chain of finance and taxation data, online full participation, and online decision-making basis”, truly making finance and taxation a navigation instrument for the operation of MSEs. Meanwhile, based on the current popularization of All-electronic Invoices and the requirements of tax supervision policies, the digital intelligent finance and taxation products take “the integration of four flows” as the core, further strengthening the comparison of enterprise contract flow, goods flow/service flow, invoice flow, and fund flow, identifying compliance risks in advance, and providing technical support for the compliant development of MSEs. The digital intelligent business products focus on the in-depth application in the fields of “new commerce, new retail, new manufacturing, and new service”, enhancing the operational efficiency of enterprises. New commerce will strengthen the management of order warehousing and distribution to improve order fulfillment efficiency; new retail will follow the current development trend of e-commerce platforms and enhance the efficient processing of online orders throughout the chain; new manufacturing will focus on deepening the management of smart workshops and strengthening refined and intelligent production; new service will enhance AI-powered digital intelligent project dashboards from the perspectives of bosses, financial managers, and project managers, enhancing the intelligent decision-making ability of enterprises; and low-code or zero-code platforms will continue to be optimized, enriching product application scenarios, and quickly meeting the industry-specific and personalized needs of MSEs, contributing to the continuous growth of the Group’s businesses.

2. Developing direct sales, distribution, and cooperative sales in parallel, expanding market coverage, and facilitating MSEs' digital intelligent transformation and upgrading

The Group will continuously adhere to the principle of prioritising cloud service business and subscriptions, pursue scalable, platform-based, and ecosystem-oriented development, and enhance intelligent services.

The Group will continue to enhance the density of market coverage in the distribution channels, improve the operational capabilities and personnel professional capacity of value-added distribution service providers, and promote the upgrading of business models. In the “Five-New” fields, the Group will continue to focus on core service scenarios along economic and industrial belts, and carry out online-offline integrated “scenario-based + ecological linkage” activities through an in-depth industry-focused + stronghold operation strategy. The Group will promote the model cases of digital intelligent transformation of enterprises such as “Digital Intelligent Beacon” (數智燈塔) and “Digital Intelligent Light” (數智之光), assisting MSEs in their digital intelligent transformation and upgrading. The Group will actively expand business layout globally, promote the team building of local value-added distribution service providers within the region, and develop a number of benchmark customers for the digital intelligent transformation and upgrading among Chinese enterprises going global and localized MSEs abroad as a way to make breakthroughs in global business development.

The Group will continue to expedite the development of direct sales channel. Focusing on the three core directions of “structural efficiency improvement, content-driven approach, and intelligent operation”, the Group will advance high-quality business development. We will leverage AI and knowledge bases to optimize content quality and enhance user matching accuracy; deepen industry co-construction and content cooperation to build more semi-silent transaction scenarios; integrate content, livestreaming, and sales into a closed-loop path to create a viral content ecosystem with an amplification effect; and fully upgrade the intelligent marketing pace management mechanism, and enhance the conversion of business opportunities and transaction quality through tiered empowerment and AI model-driven approaches. All business lines within the direct sales channel will collaborate across standardized processes, intelligent tools, and industry-specific strategies, supporting sustained and scalable growth of direct sales business.

In terms of cooperative sales, the Group will expand high-quality channels, increase value traffic, and grasp high-efficiency revenues. The Group will deepen collaboration with ecosystem partners, expand ecosystem coverage, and strengthen product integration to enhance the customer application value and application depth of products; continue to strengthen its in-depth cooperative relations with telecom operators, banks, Internet platforms and other strategic partners, and leverage resource complementarity, scenario co-creation, and scalable implementation to rapidly expand market coverage and achieve scalable growth in ecosystem business; and continuously 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 business processes of customers, 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 the growth of customer value. The Group will continuously refine customer success operation, enhance the professional capabilities of service staff, and deliver high-value services to customers; deepen the application of and implement multi-dimensional training for AI-based customer service to ensure service quality and boost service efficiency. By strengthening customer value orientation and empowering partners to provide customers with multi-layered application value, the Group will facilitate the common growth with partners and customers while achieving customer success.

3. Building a strong team by strengthening capabilities, cultivating talents and improving staff efficiency

The Group will continue to enhance staff efficiency and input-output ratio in alignment with its strategic goals. By leveraging a job qualification system, the Group will build a professional talent pipeline; identify key organizational capabilities, optimize personnel structures, and implement a competency enhancement program for core talents; and deepen the practice of corporate culture and strengthen organizational cohesion to provide robust support for the Group's sustainable development.

FINANCIAL REVIEW

	For the six months ended 30 June			
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000	Change in amount RMB'000	Percentage change %
Revenue	483,109	452,883	30,226	7
Cost of sales and services provided	<u>(146,208)</u>	<u>(125,758)</u>	<u>(20,450)</u>	16
Gross profit	336,901	327,125	9,776	3
Gross profit margin	70%	72%	(2%)	
Other income and gains, net	32,719	17,612	15,107	86
Research and development costs	(100,618)	(102,490)	1,872	(2)
Selling and distribution expenses	(194,500)	(216,820)	22,320	(10)
Administrative expenses	(35,879)	(35,231)	(648)	2
Impairment losses on financial assets	(2,156)	(244)	(1,912)	784
Other expenses	(1,656)	(248)	(1,408)	568
Finance costs	(301)	(314)	13	(4)
Share of loss of an associate	<u>(819)</u>	<u>(1,317)</u>	<u>498</u>	(38)
Profit/(loss) before tax	33,691	(11,927)	45,618	N/A
Income tax (expense)/credit	<u>(178)</u>	<u>2,048</u>	<u>(2,226)</u>	N/A
Profit/(loss) for the period	<u>33,513</u>	<u>(9,879)</u>	<u>43,392</u>	N/A
Attributable to:				
Owners of the parent	<u>33,513</u>	<u>(9,879)</u>	<u>43,392</u>	N/A

Operating Results

For the six months ended 30 June 2025, the Group recorded a revenue of RMB483.11 million, representing an increase of 7% as compared to the same period of last year; profit for the period and profit attributable to owners of the parent were both RMB33.51 million, while loss for the period and loss attributable to owners of the parent were both RMB9.88 million for the same period of last year; the basic earnings per share of the Group was RMB0.105, while the basic loss per share was RMB0.031 for the same period of last year.

During the Reporting Period, the Group achieved a turnaround from loss to profit as compared to the same period of last year, mainly because (i) the Group firmly implemented the long-term strategy of prioritising cloud service business and subscriptions, driving sustained growth in revenue and gross profit; (ii) the Group adhered to the implementation of efficient operations, resulting in a decrease in the respective proportions of research and development costs, selling and distribution expenses, and administrative expenses to revenue as compared to the same period of last year; and (iii) a fair value gain on unlisted equity investments at fair value through profit or loss was RMB7.94 million for the current period, whereas a fair value loss of RMB9.82 million was recorded for the same period of last year.

Revenue

For the six months ended 30 June 2025, the revenue of the Group was RMB483.11 million, representing an increase of 7% as compared to the same period of last year, of which revenue from cloud subscriptions was RMB343.25 million, representing an increase of 12% as compared to the same period of last year. Revenue from cloud subscriptions accounted for 71% of the total revenue.

Cost of Sales and Services Provided

For the six months ended 30 June 2025, the Group's cost of sales and services provided amounted to RMB146.21 million, representing an increase of 16% as compared to the same period of last year, mainly because contract operation costs increased by RMB19.68 million.

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

	For the six months ended 30 June				Change in amount	Percentage change
	2025		2024			
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Contract operation costs	116,700	80	97,019	77	19,681	20
Labour costs	14,317	10	9,832	8	4,485	46
Operation and maintenance costs	7,981	5	9,870	8	(1,889)	(19)
Service costs	5,670	4	7,472	6	(1,802)	(24)
Amortisation of intangible assets	507	0	10	0	497	4,970
Software development and production costs	190	0	398	0	(208)	(52)
Other costs	843	1	1,157	1	(314)	(27)
Cost of sales and services provided	146,208	100	125,758	100	20,450	16

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2025, the Group's gross profit was RMB336.90 million, representing an increase of 3% over the same period of last year; gross profit margin was 70%, representing a decrease of 2 percentage points as compared to the same period of last year.

Other Income and Gains, Net

For the six months ended 30 June 2025, the Group's other income and gains, net amounted to RMB32.72 million, representing an increase of 86% over the same period of last year, which was mainly because a fair value gain on unlisted equity investments at fair value through profit or loss of RMB7.94 million was recorded for the current period, whereas a fair value loss of RMB9.82 million was recorded for the same period of last year.

Total Research and Development Investment

	For the six months ended 30 June				Change in	Percentage
	2025		2024		amount	change
	RMB'000	%	RMB'000	%	RMB'000	%
Research and development costs	100,618	90	102,490	90	(1,872)	(2)
Additions to deferred development costs	11,703	10	11,349	10	354	3
Total research and development investment	<u>112,321</u>	<u>100</u>	<u>113,839</u>	<u>100</u>	<u>(1,518)</u>	<u>(1)</u>

For the six months ended 30 June 2025, the Group's total research and development investment amounted to RMB112.32 million, representing a decrease of 1% as compared to the same period of last year, mainly due to the decrease in labor costs. Among which, research and development costs amounted to RMB100.62 million, representing a decrease of 2% as compared to the same period of last year, and additions to deferred development costs amounted to RMB11.70 million during the current period, which remained basically stable as compared to the same period of last year.

Selling and Distribution Expenses

For the six months ended 30 June 2025, the selling and distribution expenses of the Group were RMB194.50 million, representing a decrease of 10% over the same period of last year, mainly due to the decrease in sales and promotion expenses as compared to the same period of last year as a result of the Group's enhanced efficient management and improved marketing efficiency during the Reporting Period.

Administrative Expenses

For the six months ended 30 June 2025, the administrative expenses of the Group were RMB35.88 million, which remained basically stable as compared to the same period of last year.

Income Tax (Expense)/Credit

For the six months ended 30 June 2025, the income tax expense of the Group amounted to RMB0.18 million, mainly due to the income tax expense arising from deferred tax liabilities in respect of changes in fair value on unlisted equity investments.

Profit/(Loss) Attributable to Owners of the Parent

For the six months ended 30 June 2025, the Group recorded a profit attributable to owners of the parent of RMB33.51 million, as compared to a loss attributable to owners of the parent of RMB9.88 million for the same period of last year.

Liquidity

Condensed cash flow statement

	For the six months ended 30 June		
	2025	2024	Change in
	(Unaudited)	(Unaudited)	amount
	RMB'000	RMB'000	RMB'000
Net cash flows from operating activities	83,763	49,326	34,437
Net cash flows used in investing activities	(18,960)	(344,341)	325,381
Net cash flows used in financing activities	(3,559)	(4,195)	636

Net cash flows from operating activities

For the six months ended 30 June 2025, net cash flows from operating activities of the Group was RMB83.76 million, representing an increase of RMB34.44 million over the same period of last year, which was mainly attributable to the increase in receipts from the Group's cloud service business and the decrease in the payments to employees and related payments for employees.

Net cash flows used in investing activities

For the six months ended 30 June 2025, net cash flows used in investing activities of the Group was RMB18.96 million, representing a decrease of RMB325.38 million over the same period of last year, mainly due to a significant decrease in newly-added time deposits of the Group during the Reporting Period as compared to the same period of last year.

Net cash flows used in financing activities

For the six months ended 30 June 2025, net cash flows used in financing activities of the Group was RMB3.56 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 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Cash and bank balances (<i>RMB'000</i>)	1,334,303	1,259,031
Current ratio ^{note 1}	224%	193%
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. 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 fund 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 30 June 2025 was 224% (31 December 2024: 193%). The increase in the current ratio was mainly due to the significant increase in current assets resulted from the reclassification of certain time deposits of the Group, with original maturity of more than one year, from non-current assets to current assets as they will mature within one year from 30 June 2025.

As at 30 June 2025, as the Group had no interest-bearing liabilities (other than lease liabilities), the Group's gearing ratio was nil (31 December 2024: Nil).

Capital Expenditure

For the six months ended 30 June 2025, the capital expenditure of the Group primarily included the additional expenditure on property, plant and equipment of RMB2.46 million (for the same period of last year: RMB0.36 million); the additional expenditure on right-of-use assets (mainly refers to leased office buildings) of RMB13.33 million (for the same period of last year: RMB3.24 million); and the additional expenditure on intangible assets of RMB11.82 million (for the same period of last year: RMB11.35 million).

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group did not have any material contingent liabilities.

Charges on Assets

As at 30 June 2025 and 31 December 2024, 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.

STAFF REMUNERATION POLICY AND TRAINING PLAN

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 consideration their respective rank of positions, segment, business line, region, etc. Remuneration of the staff includes basic salary, performance-based bonus and allowance. 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. Details of the remuneration of the staff charged to the Group during the Reporting Period are set out in the note 5 to the financial information. In order to attract, retain and motivate key talents needed for the achievement of the Company's strategic objectives, the Company also actively adopted a variety of incentive measures, including employee equity incentives, long-term performance incentives, and other cash incentives.

During the Reporting Period, 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 plan of each business center and the annual plan of the human resource department, the Group has established and implemented an annual training plan for 2025. The Group launched organizational efficiency improvement initiatives by assisting various types of employees and external partners to enhance their competence and efficiency through the three training and empowerment routes based on the professional competence required for business strategies, the construction of core talent teams and the management competence requirements of cadres. Specifically, the Group updated the Chanjet Lecturers Development Measures (《暢捷通講師發展辦法》) to motivate internal and external lecturers to enhance their professional capabilities, thereby improving the quantity and quality of training programs, built up the reserve force of junior managers by launching the “Reserve Cadre Training Camp (後備幹部訓練營)”, enhanced the professional capabilities of the operations, sales and customer success teams by launching the “Industry Knowledge Training (行業知識大練兵)”, and enhanced the professional capabilities of the R&D team by launching a series of training courses on “Professional Sharing by the R&D Technical Committee (研發技術委員會專業分享)”. Additionally, a two-tier new employee training system at both the company level and center level has been established to improve the competence and efficiency of new employees.

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 the prospectus of the Company 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 30 June 2025 are detailed as follows:

Planned use	Budgeted amount <i>HK\$</i>	Amount used during the Reporting Period <i>HK\$</i>	Accumulated amount used <i>HK\$</i>	Unutilised amount <i>HK\$</i>	Intended timetable for use of the unutilised amount
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 30 June 2025, 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”)). As at 30 June 2025, the Company did not hold any such treasury shares.

MATERIAL LEGAL MATTERS

So far as the Board is aware, as at 30 June 2025, 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.

INTERIM DIVIDEND

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

CORPORATE GOVERNANCE

During the Reporting Period and as at the date of this announcement, 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.

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 has required the Directors and the supervisors of the Company (the “**Supervisors**”) to deal with securities in accordance with the Model Code. After making specific enquiries by the Company, all Directors and Supervisors confirmed that they had complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE

The Company has established an audit committee pursuant to the requirements of the Listing Rules. During the Reporting Period, 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. On 26 August 2025, the audit committee of the Company reviewed the unaudited interim results announcement and interim report of the Group for the six months ended 30 June 2025, and concluded that the interim results announcement and interim report had been prepared in accordance with the applicable accounting standards and relevant requirements, and had made adequate disclosure.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND REPORT

This results announcement will be published on the website of the Company (www.chanjet.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The 2025 interim report will be released within the time provided by the Listing Rules and as required by the Hong Kong Stock Exchange.

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

Beijing, the PRC
26 August 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*