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暢捷通

Chanjet

暢捷通信息技術股份有限公司

CHANJET INFORMATION TECHNOLOGY COMPANY LIMITED*

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

(Stock Code: 1588)

CONNECTED TRANSACTIONS

SALE OF DOMESTIC SHARES FOR THE IMPLEMENTATION OF THE EMPLOYEE TRUST BENEFIT SCHEME

Reference is made to the announcements of the Company dated 13 April 2015 and 8 June 2015, the circular of the Company dated 23 April 2015 in relation to, among other things, the adoption of the Employee Trust Benefit Scheme, and the announcement of the Company dated 25 May 2021 in relation to, among other things, the sale of Domestic Shares for the implementation of the Employee Trust Benefit Scheme.

THE EQUITY TRANSFER AGREEMENT XII

On 25 May 2021, National Trust, entrusted by the Company, entered into the Equity Transfer Agreement XII with Yonyou Up, pursuant to which National Trust agreed to sell 46,000 Domestic Shares held by National Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XII is RMB901,600.

THE EQUITY TRANSFER AGREEMENT XIII

On 25 May 2021, Hwabao Trust, entrusted by the Company, entered into the Equity Transfer Agreement XIII with Yonyou Up, pursuant to which Hwabao Trust agreed to sell 340,000 Domestic Shares held by Hwabao Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XIII is RMB6,664,000.

THE EQUITY TRANSFER AGREEMENT XIV

On 6 December 2021, National Trust, entrusted by the Company, entered into the Equity Transfer Agreement XIV with Yonyou Up, pursuant to which National Trust agreed to sell 10,000 Domestic Shares held by National Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XIV is RMB87,400.

THE EQUITY TRANSFER AGREEMENT XV

On 6 December 2021, Hwabao Trust, entrusted by the Company, entered into the Equity Transfer Agreement XV with Yonyou Up, pursuant to which Hwabao Trust agreed to sell 290,000 Domestic Shares held by Hwabao Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XV is RMB2,534,600.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Each of Hwabao Trust and National Trust has been entrusted by the Company to set up trusts for the implementation of the Scheme. Yonyou Up is a subsidiary of the Parent, the controlling shareholder of the Company, and therefore a connected person of the Company.

As the Equity Transfer Agreements were entered into between the Trustees entrusted by the Company and Yonyou Up, and the transactions contemplated thereunder were conducted or completed within a 12-month period, the transactions contemplated under the Equity Transfer Agreements shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. After aggregation, as one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules exceed 0.1% but are less than 5%, the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company which are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Reference is made to the announcements of the Company dated 13 April 2015 and 8 June 2015, the circular of the Company dated 23 April 2015 in relation to, among other things, the adoption of the Employee Trust Benefit Scheme, and the announcement of the Company dated 25 May 2021 in relation to, among other things, the sale of Domestic Shares for the implementation of the Employee Trust Benefit Scheme.

BACKGROUND

In order to implement the Scheme, the Company has entrusted National Trust to set up the trust for the benefit of the participants of the Scheme who are connected persons of the Company, and has entrusted Hwabao Trust to set up the trust for the benefit of the participants of the Scheme who are not connected persons of the Company.

On 25 May 2021, National Trust, entrusted by the Company, entered into the Equity Transfer Agreement XII with Yonyou Up, pursuant to which National Trust agreed to sell 46,000 Domestic Shares held by National Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XII is RMB901,600.

On 25 May 2021, Hwabao Trust, entrusted by the Company, entered into the Equity Transfer Agreement XIII with Yonyou Up, pursuant to which Hwabao Trust agreed to sell 340,000 Domestic Shares held by Hwabao Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XIII is RMB6,664,000.

On 6 December 2021, National Trust, entrusted by the Company, entered into the Equity Transfer Agreement XIV with Yonyou Up, pursuant to which National Trust agreed to sell 10,000 Domestic Shares held by National Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XIV is RMB87,400.

On 6 December 2021, Hwabao Trust, entrusted by the Company, entered into the Equity Transfer Agreement XV with Yonyou Up, pursuant to which Hwabao Trust agreed to sell 290,000 Domestic Shares held by Hwabao Trust to Yonyou Up. The aggregate consideration of the transactions contemplated under the Equity Transfer Agreement XV is RMB2,534,600.

THE EQUITY TRANSFER AGREEMENT XIV

A summary of the principal terms of the Equity Transfer Agreement XIV is set out below:

Date:	6 December 2021
Parties:	(i) National Trust, as the transferor (ii) Yonyou Up, as the transferee
Effective Date:	The Equity Transfer Agreement XIV shall take effect from the date of execution by the legal representatives (managing partners) or authorized representatives and being stamped with the official seals of both parties.
Target Assets XIV:	10,000 Domestic Shares held by National Trust, representing approximately 0.003% of the total share capital of the Company.
Consideration:	The aggregate consideration under the Equity Transfer Agreement XIV is RMB87,400 which was determined according to the average closing price of the H Shares of ninety (90) trading days preceding the execution date of the Equity Transfer Agreement XIV (the exchange rate is the central parity rate of RMB to HKD announced by the People's Bank of China on the business day preceding the execution of the Equity Transfer Agreement XIV) as set out in the relevant terms of the Scheme, being RMB8.74 per share, as well as the number of the abovementioned 10,000 Domestic Shares to be transferred.

Payment Arrangements: The aggregate consideration under the Equity Transfer Agreement XIV shall be settled in a lump sum payment before 17 December 2021.

Closing and Transitional Period: Upon the settlement of the aggregate consideration by the transferee to the transferor, the transferee will be entitled to enjoy the relevant shareholder's rights and undertake the relevant shareholder's obligations in accordance with the relevant laws and regulations, the articles of association of the Company and the Equity Transfer Agreement XIV as the owner of the Target Assets XIV.

During the transitional period from the execution date of the Equity Transfer Agreement XIV to the date when the Target Assets XIV are being registered under the name of the transferee, the profit and loss of the Company shall belong to the transferee.

THE EQUITY TRANSFER AGREEMENT XV

A summary of the principal terms of the Equity Transfer Agreement XV is set out below:

Date: 6 December 2021

Parties: (i) Hwabao Trust, as the transferor
(ii) Yonyou Up, as the transferee

Effective Date: The Equity Transfer Agreement XV shall take effect from the date of execution by the legal representatives (managing partners) or authorized representatives and being stamped with the official seals of both parties.

Target Assets XV: 290,000 Domestic Shares held by Hwabao Trust, representing approximately 0.089% of the total share capital of the Company.

Consideration: The aggregate consideration under the Equity Transfer Agreement XV is RMB2,534,600 which was determined according to the average closing price of the H Shares of ninety (90) trading days preceding the execution date of the Equity Transfer Agreement XV (the exchange rate is the central parity rate of RMB to HKD announced by the People's Bank of China on the business day preceding the execution of the Equity Transfer Agreement XV) as set out in the relevant terms of the Scheme, being RMB8.74 per share, as well as the number of the abovementioned 290,000 Domestic Shares to be transferred.

Payment Arrangements: The aggregate consideration under the Equity Transfer Agreement XV shall be settled in a lump sum payment before 17 December 2021.

Closing and Transitional Period: Upon the settlement of the aggregate consideration by the transferee to the transferor, the transferee will be entitled to enjoy the relevant shareholder's rights and undertake the relevant shareholder's obligations in accordance with the relevant laws and regulations, the articles of association of the Company and the Equity Transfer Agreement XV as the owner of the Target Assets XV.

During the transitional period from the execution date of the Equity Transfer Agreement XV to the date when the Target Assets XV are being registered under the name of the transferee, the profit and loss of the Company shall belong to the transferee.

FINANCIAL INFORMATION OF THE GROUP

The unaudited total assets and net assets of the Group as at 30 September 2021 were approximately RMB1,563.24 million and RMB927.35 million, respectively. The audited profit (both before and after taxation) attributable to the Group for the two years ended 31 December 2019 and 2020 is set out below:

	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)
Profit before taxation attributable to the Group	90,861	23,619
Profit after taxation attributable to the Group	92,418	33,392

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company regarding the Domestic Shares before and after the completion of the Equity Transfer under the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV:

Name of Domestic Shareholders	Immediately before the completion of the Equity Transfer under the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV			Immediately after the completion of the Equity Transfer under the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV		
	Number of Domestic Shares held	Approximate percentage of shareholdings in the total share capital of the Company (Note 2)	Approximate percentage of Domestic Shares (Note 1)	Number of Domestic Shares held	Approximate percentage of shareholdings in the total share capital of the Company (Note 2)	Approximate percentage of Domestic Shares (Note 1)
The Parent	201,479,637	61.85%	82.82%	201,479,637	61.85%	82.82%
Yonyou Up	12,060,578	3.70%	4.96%	12,360,578	3.79%	5.08%
Huiyun Hongchuang	5,512,500	1.69%	2.27%	5,512,500	1.69%	2.27%
Yundao Tongsheng	5,216,574	1.60%	2.14%	5,216,574	1.60%	2.14%
Yunzhi Jietong	4,800,000	1.47%	1.97%	4,800,000	1.47%	1.97%
Yunda Xiangsheng	4,770,000	1.46%	1.96%	4,770,000	1.46%	1.96%
Yuntong Juxin	2,820,000	0.87%	1.16%	2,820,000	0.87%	1.16%
National Trust	2,436,000	0.75%	1.00%	2,426,000	0.74%	1.00%
Hwabao Trust	2,403,600	0.74%	0.99%	2,113,600	0.65%	0.87%
Happiness Investment	1,006,176	0.31%	0.41%	1,006,176	0.31%	0.41%
Tongyun Jitian Investment	712,050	0.22%	0.29%	712,050	0.22%	0.29%
Huicai Juneng Investment	55,384	0.02%	0.02%	55,384	0.02%	0.02%
Total	243,272,499	74.68%	100.00%	243,272,499	74.68%	100.00%

Notes:

1. The percentage of shareholding is rounded to the nearest two decimal places and the total percentage of shareholding may not add up to 100% due to rounding.
2. The percentage of shareholding is rounded to the nearest two decimal places and the total percentage of shareholding may not add up to 74.68% due to rounding.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

The Equity Transfer Agreements were entered into so as to facilitate the implementation of the Scheme. According to the Scheme, the Trustees shall purchase from, or sell to, Domestic Shareholders or the secondary market, the Target Shares. The Equity Transfer Agreements were entered into as certain Scheme Participants applied to exercise their Trust Beneficial Rights.

The Directors (including the independent non-executive Directors) are of the view that each of the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV was conducted on normal commercial terms, and although the transactions contemplated thereunder are not in the ordinary and

usual course of business of the Company, the terms and conditions therein are fair and reasonable and in line with the overall development strategy of the Group as well as in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Each of Hwabao Trust and National Trust has been entrusted by the Company to set up trusts for the implementation of the Scheme. Yonyou Up is a subsidiary of the Parent, the controlling shareholder of the Company, and therefore a connected person of the Company.

As the Equity Transfer Agreements were entered into between the Trustees entrusted by the Company and Yonyou Up, and the transactions contemplated thereunder were conducted or completed within a 12-month period, the transactions contemplated under the Equity Transfer Agreements shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. After aggregation, as one or more applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules exceed 0.1% but are less than 5%, the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company which are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Our Directors, Mr. Wang Wenjing and Mr. Wu Zhengping are also directors of the Parent or its subsidiaries, and have therefore abstained from voting on the relevant Board resolutions approving the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has any material interest in the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV and the transactions contemplated thereunder and therefore no other Director has abstained from voting on such Board resolutions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, there is no other connected transaction entered into between any member of the Group and the Parent Group and its ultimate beneficial owner(s) within a 12-month period or are otherwise related, which would, together with the transactions contemplated under the Equity Transfer Agreements, be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules.

INFORMATION ON THE PARTIES INVOLVED

The Company

The Company is a leading provider of software and services designed for micro and small scale enterprises in the PRC. The core business of the Company is to develop and provide software and services designed to satisfy the informatization needs of micro and small scale enterprises.

Yonyou Up

Yonyou Up is principally engaged in businesses including the technical development, consultation and services of computer software, hardware and ancillary equipment.

Hwabao Trust and National Trust

Each of Hwabao Trust and National Trust is principally engaged in, among other things, fund trust, moveable property trust, real estate trust, negotiable securities trust, and other property or property right trust.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the meanings as follow:

“Board”	the board of directors of the Company
“Company”	Chanjet Information Technology Company Limited (暢捷通信息技術股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted shares which are not currently listed or traded on any stock exchange
“Domestic Shareholder(s)”	the holder(s) of the Domestic Shares
“Employee Share Ownership Scheme”	the 2020 employee share ownership scheme adopted by the Company on 28 December 2020
“Employee Trust Benefit Scheme” or “Scheme”	the employee trust benefit scheme of the Company
“Equity Transfer”	the transfer of Domestic Shares contemplated under the Equity Transfer Agreements

“Equity Transfer Agreements”	collectively, the Equity Transfer Agreement XII, the Equity Transfer Agreement XIII, the Equity Transfer Agreement XIV and the Equity Transfer Agreement XV
“Equity Transfer Agreement XII”	the equity transfer agreement dated 25 May 2021 entered into between National Trust and Yonyou Up in respect of the transfer of 46,000 Domestic Shares
“Equity Transfer Agreement XIII”	the equity transfer agreement dated 25 May 2021 entered into between Hwabao Trust and Yonyou Up in respect of the transfer of 340,000 Domestic Shares
“Equity Transfer Agreement XIV”	the equity transfer agreement dated 6 December 2021 entered into between National Trust and Yonyou Up in respect of the transfer of 10,000 Domestic Shares
“Equity Transfer Agreement XV”	the equity transfer agreement dated 6 December 2021 entered into between Hwabao Trust and Yonyou Up in respect of the transfer of 290,000 Domestic Shares
“Group”	the Company and its subsidiaries
“Happiness Investment”	Happiness Investment Co., Ltd. (北京用友幸福投資管理有限公司), a company established in the PRC with limited liability on 12 May 2010 and one of the promoters of the Company and a holding subsidiary of the Parent, in which the Parent holds 60% of the shares
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed and traded on the Hong Kong Stock Exchange
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Huicai Juneng Investment”	Beijing Huicai Juneng Investment Management Centre (Limited Partnership) (北京匯才聚能投資管理中心(有限合夥)), a limited partnership established in the PRC on 30 August 2011, with Mr. Cai Jingsheng as its general partner, and certain employees and ex-employees of the Company as its limited partners
“Huiyun Hongchuang”	Tianjin Binhai New Area Huiyun Hongchuang Technology Partnership (limited partnership)* (天津濱海新區慧雲宏創科技合夥企業(有限合夥)), a limited partnership established by the participants of the Employee Share Ownership Scheme
“Hwabao Trust”	Hwabao Trust Co., Ltd. (華寶信託有限責任公司), a company established in the PRC with limited liability on 10 September 1998
“National Trust”	National Trust Co., Ltd. (國民信託有限公司), a company established in the PRC with limited liability on 12 January 1987
“Parent”	Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), a joint stock limited company incorporated in the PRC on 18 January 1995, the shares of which are listed on the Shanghai Stock Exchange (上海證券交易所) (Stock Code: 600588), and the controlling shareholder of the Company
“Parent Group”	the Parent and its subsidiaries
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the region of Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Participant(s)”	Employee(s) of the Company and its subsidiaries who can participate in the Scheme and be granted the Trust Benefit Units as decided by the Board
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	the holder(s) of the Shares
“Target Assets XIV”	10,000 Domestic Shares held by National Trust, representing approximately 0.003% of the total share capital of the Company
“Target Assets XV”	290,000 Domestic Shares held by Hwabao Trust, representing approximately 0.089% of the total share capital of the Company

“Target Share(s)”	the Share(s) involved in the Scheme
“Tongyun Jitian Investment”	Beijing Tongyun Jitian Investment Management Centre (Limited Partnership) (北京通雲濟天投資管理中心(有限合夥)), a limited partnership established in the PRC on 30 August 2011, with Mr. Jiao Jianyu as its general partner, and certain employees of the Company as its limited partners
“trading day(s)”	the day(s) on which securities can be traded on the Hong Kong Stock Exchange
“Trust Beneficial Rights”	the rights which the Scheme Participants are entitled to in respect of the Trust Benefit Units
“Trust Benefit Unit(s)”	unit(s) of beneficial rights as divided by the Trustees and granted to the Scheme Participants by the Board
“Trustee(s)”	the trustee(s) engaged by the Company for the administration of the Scheme, which will hold the Target Shares for the benefit of the participants of the Scheme subject to the terms and conditions of the respective trust deeds between the Company and the trustee(s) for the purpose of the Scheme
“Yonyou Up”	Yonyou Up Information Technology Co., Ltd. (用友優普信息技術有限公司), a company established in the PRC with limited liability on 25 February 2014, and a wholly-owned subsidiary of the Parent
“Yunda Xiangsheng”	Tianjin Binhai New Area Yunda Xiangsheng Technology Partnership (limited partnership)* (天津濱海新區雲達祥晟科技合夥企業(有限合夥)), a limited partnership established by the participants of the Employee Share Ownership Scheme
“Yundao Tongsheng”	Tianjin Binhai New Area Yundao Tongsheng Technology Partnership (limited partnership)* (天津濱海新區雲道同盛科技合夥企業(有限合夥)), a limited partnership established by the participants of the Employee Share Ownership Scheme
“Yuntong Juxin”	Tianjin Binhai New Area Yuntong Juxin Technology Partnership (limited partnership)* (天津濱海新區雲通聚新科技合夥企業(有限合夥)), a limited partnership established by the participants of the Employee Share Ownership Scheme

“Yunzhi Jietong”

Tianjin Binhai New Area Yunzhi Jietong Technology Partnership (limited partnership)* (天津濱海新區雲智捷通科技合夥企業(有限合夥)), a limited partnership established by the participants of the Employee Share Ownership Scheme

On behalf of the Board

Chanjet Information Technology Company Limited

Wang Wenjing

Chairman

Beijing, the PRC

6 December 2021

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

* *For identification purposes only*