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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, 8 June 2015, 31 March 2016 and 18 May 2016, and the circulars of the Company dated 23 April 2015 and 29 April 2016 in relation to, among other things, the adoption of, and the amendments to, the Employee Trust Benefit Scheme.

The Board hereby announces that, on 20 June 2022, National Trust and Hwabao Trust, entrusted by the Company, entered into the Equity Transfer Agreements with Yonyou Up, pursuant to which National Trust and Hwabao Trust agreed to sell 400,000 Domestic Shares and 55,000 Domestic Shares held by them, respectively, to Yonyou Up, with the aggregated consideration of the transactions of RMB2,444,000 and RMB336,050, respectively, as certain Scheme Participants of the Scheme exercised their Trust Beneficial Rights.

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 Yonyou, 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, the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company pursuant to the Hong Kong Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14A.77 in the Hong Kong Listing Rules) of the transactions contemplated under the Equity Transfer Agreements exceed 0.1% but are less than 5%, the transactions contemplated under the Equity Transfer Agreements 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.

I. BACKGROUND

Reference is made to the announcements of the Company dated 13 April 2015, 8 June 2015, 31 March 2016 and 18 May 2016, and the circulars of the Company dated 23 April 2015 and 29 April 2016 in relation to, among other things, the adoption of, and the amendments to, the Employee Trust Benefit Scheme.

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.

The Board hereby announces that, on 20 June 2022, National Trust and Hwabao Trust, entrusted by the Company, entered into the Equity Transfer Agreements with Yonyou Up, pursuant to which National Trust and Hwabao Trust agreed to sell 400,000 Domestic Shares and 55,000 Domestic Shares held by them, respectively, to Yonyou Up, with the aggregated consideration of the transactions of RMB2,444,000 and RMB336,050, respectively, as certain Scheme Participants of the Scheme exercised their Trust Beneficial Rights.

II. THE EQUITY TRANSFER AGREEMENTS

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

	The Equity Transfer Agreement of National Trust	The Equity Transfer Agreement of Hwabao Trust
Date:	20 June 2022	20 June 2022
Parties:	(1) National Trust (as the transferor) (2) Yonyou Up (as the transferee)	(1) Hwabao Trust (as the transferor) (2) Yonyou Up (as the transferee)
Target Assets:	400,000 Domestic Shares held by National Trust, representing approximately 0.123% of the total share capital of the Company.	55,000 Domestic Shares held by Hwabao Trust, representing approximately 0.017% of the total share capital of the Company.
Consideration:	RMB2,444,000	RMB336,050

The consideration above was determined according to the average closing price of the H Shares of ninety (90) trading days preceding the execution date of each Equity Transfer Agreement (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 date of the Equity Transfer Agreements) as set out in the relevant terms of the Scheme, being RMB6.11 per share, as well as the number of the abovementioned Domestic Shares to be transferred.

Payment Arrangement:

The aggregate consideration under the Equity Transfer Agreements shall be settled in a lump sum payment before 28 June 2022.

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 Agreements as the owner of the Target Assets.

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

Effective Date:

Each Equity Transfer Agreement 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.

III. FINANCIAL INFORMATION OF THE GROUP

The unaudited total assets and net assets of the Group as at 31 March 2022 were approximately RMB1,685.26 million and RMB889.39 million, respectively. The audited profit or loss (both before and after taxation) of the Group for the two financial years ended 31 December 2020 and 2021 is set out below:

	For the year ended 31 December 2020 (RMB'000)	For the year ended 31 December 2021 (RMB'000)
Profit/(Loss) before taxation	23,619	(193,228)
Profit/(Loss) after taxation	33,392	(185,070)

IV. 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 transactions under the Equity Transfer Agreements:

Name of Domestic Shareholders	Immediately before the completion of the transactions under the Equity Transfer Agreements			Immediately after the completion of the transactions under the Equity Transfer Agreements		
	Number of Domestic Shares held	Approximate percentage of shareholdings in the total share capital of the Company (Note 2)	Approximate percentage of shareholdings in the 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 shareholdings in the Domestic Shares (Note 1)
Yonyou	201,479,637	61.85%	82.82%	201,479,637	61.85%	82.82%
Yonyou Up	12,360,578	3.79%	5.08%	12,815,578	3.93%	5.27%
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%
Hwobao Trust	2,113,600	0.65%	0.87%	2,058,600	0.63%	0.85%
National Trust	2,426,000	0.74%	1.00%	2,026,000	0.62%	0.83%
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 for Domestic Shareholders:	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.

V. 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 exercised their Trust Beneficial Rights.

The Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreements were 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.

VI. 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 Yonyou, 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, the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company pursuant to the Hong Kong Listing Rules.

As one or more applicable percentage ratios of the transactions contemplated under the Equity Transfer Agreements (as defined under Rule 14A.77 in the Hong Kong Listing Rules) exceed 0.1% but are less than 5%, the transactions contemplated under the Equity Transfer Agreements 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.

Mr. Wang Wenjing and Mr. Wu Zhengping, Directors of the Company, are also directors of Yonyou or its subsidiaries, and are therefore deemed to have material interest in the transactions contemplated under the Equity Transfer Agreements. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting. Save as disclosed above, none of the other Directors has any material interest in the abovementioned transactions nor are they required to abstain from voting on the relevant resolutions at the Board meeting.

VII. INFORMATION ON THE PARTIES INVOLVED

The Company

The principal business of the Company is to provide platform services, application services, and value-added data-based services for micro and small scale enterprises in the PRC, with a focus on financial and business management cloud services.

Yonyou Up

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

National Trust and Hwabao Trust

Each of National Trust and Hwabao 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.

VIII. 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 adopted by the Company on 8 June 2015 and amended on 18 May 2016
“Equity Transfer Agreements”	the Equity Transfer Agreement of National Trust and the Equity Transfer Agreement of Hwabao Trust, each an “Equity Transfer Agreement”
“Equity Transfer Agreement of Hwabao Trust”	the equity transfer agreement dated 20 June 2022 entered into between Hwabao Trust and Yonyou Up in respect of the transfer of 55,000 Domestic Shares
“Equity Transfer Agreement of National Trust”	the equity transfer agreement dated 20 June 2022 entered into between National Trust and Yonyou Up in respect of the transfer of 400,000 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 subsidiary of Yonyou, which holds 60% of its 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 certain employees and ex-employees of the Company as its general partner and 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
“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, 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
“Subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Target Share(s)”	the Share(s) involved in the Employee Trust Benefit 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 certain employees and ex-employees of the Company as its general partner and 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”	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 and the controlling shareholder of the Company, the shares of which are listed on the Shanghai Stock Exchange (上海證券交易所) (Stock Code: 600588)
“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 Yonyou
“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

20 June 2022

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

* *For identification purposes only*