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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)**

## **ANNOUNCEMENT ON FINANCIAL INFORMATION FOR THE THIRD QUARTER OF 2023**

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

The controlling shareholder of the Company, Yonyou Network Technology Co., Ltd., will announce its unaudited third quarterly results for the nine months ended 30 September 2023 (the “**Reporting Period**”) on the Shanghai Stock Exchange on 28 October 2023, which include the unaudited financial information of the Company and its subsidiaries (the “**Group**”) for the Reporting Period. In order to ensure that all the shareholders of the Company have fair and timely access to the information of the Company, the Company hereby announces the following unaudited financial information prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

During the Reporting Period, the Group recorded operating revenue of RMB545.29 million, representing an increase of 9% as compared with the same period of last year, of which revenue generated from cloud subscriptions was RMB348.28 million, representing an increase of 26% as compared with the same period of last year and accounting for 64% of the total revenue of the Group. For the three months ended 30 September 2023 (the “**Third Quarter of 2023**”), the Group recorded operating revenue of RMB167.04 million, representing an increase of 4% as compared with the same period of last year, of which revenue generated from cloud subscriptions was RMB119.56 million, representing an increase of 22% as compared with the same period of last year. As at the end of the Reporting Period, contract liabilities from cloud subscriptions were RMB505.68 million, representing an increase of 18% over the end of last year. During the Reporting Period, the Group recorded gross profit of RMB351.68 million, representing an increase of 17% as compared with the same period of last year.

During the Reporting Period, the net loss attributable to shareholders of the parent of the Group was RMB23.55 million, representing a decrease of 83% from the net loss of RMB141.39 million for the same period of last year. During the Third Quarter of 2023, the net loss attributable to shareholders of the parent of the Group was RMB41.69 million, representing a decrease of 34% from the net loss of RMB62.92 million for the same period of last year. During the Reporting Period, the Group recorded a decrease in loss as compared to the same period of last year, mainly due to (i) the continued growth in revenue during the Reporting Period, an increase of 4 percentage points in gross profit margin over the same period of last year and an increase of approximately RMB49.93 million in gross profit over the same period of last year as a result of the Group promoting business scale and efficient development; (ii) the gain recognised from the disposal of the Finance & Taxation Practical Skills Training Product and Service Business during the Reporting Period of approximately RMB43.75 million (for details, please refer to the announcement of the Company dated 24 March 2023 in relation to the disposal of the Finance & Taxation Practical Skills Training Product and Service Business), whereas there was no such gain in the same period of last year; and (iii) an increase in fair value gain on unlisted equity investments at fair value through profit or loss of approximately RMB37.08 million during the Reporting Period as compared to the same period of last year.

After excluding the impact of non-operating factors mentioned in items (ii) and (iii) above: during the Reporting Period, the net loss attributable to shareholders of the parent of the Group was RMB99.60 million, representing a decrease of 27% as compared with the net loss of RMB136.61 million for the same period of last year and an increase of approximately 4 percentage points in loss reduction as compared to the first half of 2023; during the Third Quarter of 2023, the net loss attributable to shareholders of the parent of the Group was RMB42.99 million, representing a decrease of 32% as compared with the net loss of RMB62.92 million for the same period of last year.

As at the end of the Reporting Period, the total assets of the Group were RMB1,504.68 million, which remained basically stable as compared to RMB1,518.78 million as at the end of last year.

During the Reporting Period, the Group continued to focus on the two major fields of digital intelligent finance and taxation and digital intelligent business for micro and small scale enterprises (“MSEs”), innovate and iterate product application to further enhance product competitiveness, promote business scale development, improve operating efficiency and improve profitability, thereby achieving high-quality development. During the Third Quarter of 2023, the Group has seized the market opportunities of the full-scale promotion of comprehensive digital electronic invoices (the “**All-electronic Invoices**”), accelerated the popularisation of cloud finance and taxation products and continuously promoted the marketing strategies in the fields and industries of digital intelligent business. The amount of new orders for cloud subscriptions of the Group during the Reporting Period increased by 12% as compared with the same period of last year, of which the amount of new orders for cloud subscriptions during the Third Quarter of 2023 increased by 45% as compared with the same period of last year. During the Third Quarter of 2023, the number of new paying enterprise users of the cloud service business increased by 51% as compared with the same period of last year.

At the product level and in the field of digital intelligent finance and taxation, as the number of pilot areas for issuing the All-electronic Invoices reached 28 and the pilot areas applying such invoices expanded to the whole country, the digital intelligent finance and taxation products of the Group have been seamlessly connected with tax digital accounts through AI automation technology to further integrate the application of invoice, finance and taxation and enhance product advantages. The Group has continued to optimise intelligent finance and taxation BaaS services and the rule engine based on expert experience, so as to further improve the efficiency and accuracy of fully automated bookkeeping and tax reporting. In the field of digital intelligent business, Good Business and Finance (好業財) has been further integrated with DingTalk Coolapp (釘釘酷應用) and WeCom (企業微信) to realise data-based customer relationship management to attract customers, cultivate customers, retain customers and lock customers. The Group has continued to optimise the products in the fields of new commerce, new retail, new manufacturing and new services as a way to strengthen ecological integration and enhance the intelligent level of products.

At the marketing level, given the market opportunities arising from the accelerated expansion of the All-electronic Invoices nationwide, the Group has continued to strengthen channel layout and ecological cooperation; carried out a series of marketing activities themed “All-electronic Invoices, New Finance and Taxation” to expedite the popularisation of cloud finance and taxation products. In the fields of new commerce, new retail, new manufacturing and new services, the Group has rapidly built strongholds for industrialised and digital intelligent operation for MSEs and continuously carried out the “Digital Intelligent Salon” industry operation seminar to facilitate the digital intelligent transformation and upgrading of MSEs. In terms of the direct sales channel, the Group has applied AI model to carry out marketing and customer acquisition, provided marketing coverage for diversified business scenarios and optimised the marketing matrix to efficiently obtain precise traffic. As a result, the number of business leads in the Third Quarter of 2023 increased by more than 40% quarter-on-quarter.

During the Reporting Period, the Group’s cloud service business newly added 86,000 paying enterprise users. As at the end of the Reporting Period, the number of accumulated paying enterprise users of the cloud service business was approximately 589,000. The board of directors of the Company considers that the overall business operation of the Group remains a sound momentum of development.

The financial information for the Reporting Period in this announcement is prepared with reference to the consolidated management accounts of the Group which are neither audited nor reviewed by the auditors of the Company. **Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Beijing, the PRC  
27 October 2023

*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 purpose only*