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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)

PROFIT WARNING

This announcement is made 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 Board hereby informs the Company's shareholders and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group, it is expected that the Group will record a loss in the First Quarter of 2021, with net loss attributable to the shareholders of the parent ranging from RMB35.00 million to RMB45.00 million, as compared to net profit attributable to the shareholders of the parent of approximately RMB19.04 million for the same period of 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Chanjet Information Technology Company Limited (the **"Company"** and, together with its subsidiaries, the **"Group"**) 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 board of directors of the Company (the **"Board"**) hereby informs the Company's shareholders and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group, it is expected that the Group will record an increase in revenue of 7% to 15% for the three months ended 31 March 2021 (the **"First Quarter of 2021"**), as compared to that of the same period in 2020, while the Group will record a loss in the First Quarter of 2021, with net loss attributable to the shareholders of the parent ranging from RMB35.00 million to RMB45.00 million, as compared to net profit attributable to the shareholders of the parent of approximately RMB19.04 million for the same period of 2020.

The Board considers that the main reasons for the expected loss of the Group for the First Quarter of 2021 are that: the Group has strategically dedicated more resources in its cloud service business, expanded the size of research and development and sales personnel and increased expenses in sales and marketing, the revenue from the cloud service business is expected to increase significantly; meanwhile, the Group strategically downsized its software business, with revenue from the software business ranging from RMB11.00 million to RMB15.00 million as compared to RMB58.73 million for the same period last year, representing a decrease by approximately 74% to 81%.

In the First Quarter of 2021, the Group comprehensively promoted the cloud-first and subscription-first strategies and significantly increased its investment of business resources, to strategically speed up the development of its cloud service business and strive for the leading position in the cloud service market of micro and small enterprises (“MSEs”).

In the digital intelligent finance and taxation field, with the opportunities for industry development brought by invoice electrification and electronic archives, the scenarios to which products may be applied have been further expanded and consolidated, providing key assistance in rapidly replacing the traditional financial software with digital intelligent finance and taxation SaaS products. Chanjet Good Accountant supports the management of the whole process of electronic invoicing, receipt, reimbursement, accounting and filing, supports the automation of settlement and payment statements and the application of the new tax reduction policies of 2021 to the products, and supports the direct declaration of personal income and salary tax. Chanjet reimbursement (小暢報銷), Chanjet invoice holder (小暢票夾) and Chanjet tax inquiry (小暢問稅) extended the applicability of products from enterprises accounting to all staff, thereby enhancing customer stickiness as much as exploring the digital intelligent finance and taxation and digital intelligent business fields of MSEs, improving product diversity and establishing the user base. In the digital intelligent business field, T⁺Cloud had a new upgrade and completed the research and development of the V16.0 version, which is based on the scenario-oriented, mobilized and intelligent features of the Internet. By virtue of the in-depth understanding of the integrated management of the business and finance of MSEs and more than ten years of experience in providing services, T⁺Cloud perfected the application of products in the new retail and new business fields, providing traditional enterprises developing into online businesses with an operational management mode of online and offline, front end and back end integration which, as compared to the single mode with only online or offline management, has obvious competition advantages. T⁺Cloud and Chanjet Intelligent+ appeal themselves to the top clients of small enterprises, and their proportion in the revenue from cloud service business has been constantly increasing, which promotes the continuous increase of the average customer unit price and the improvement of customer retention rate. Chanjet Good Business has continuously improved the scale of sales and capability to deliver, further penetrated into the subdivided markets and met the demand of micro commercial enterprises for online business.

In the First Quarter of 2021, the Group’s cloud service business newly added more than 22,000 paying enterprise users, representing a year-on-year increase of 80%, and the number of accumulated paying enterprise users reached 240,000; the revenue from cloud service business will range from RMB86.00 million to RMB89.00 million, representing an increase of approximately 172% to 181% as

compared to RMB31.67 million for the same period last year; the proportion of revenue from cloud service business in the Group's revenue increased to more than 80% from 35% for the same period last year. The Board considers that the business development of the Group remains sound.

The financial information for the First Quarter of 2021 in this announcement is based on a preliminary assessment by the Board with reference to the consolidated management accounts of the Group which are neither audited nor reviewed, and may be adjusted after further review. Detailed financial information of the Group will be disclosed in the announcement in relation to the financial information for the First Quarter of 2021 to be published by the end of April 2021.

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
19 April 2021

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*