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

2024
Annual Report

Contents

Corporate Information

DIRECTORS

Non-executive Directors
Wang Wenjing *(Chairman)*
Wu Zhengping

Executive Director
Yang Yuchun *(President)*

Independent Non-executive Directors
Lau, Chun Fai Douglas
Wu Xiaoqing
Cui Qiang

SUPERVISORS

Shareholder Representative Supervisors
Guo Xinping *(Chairman)*
Li Weimin*Note*

Independent Supervisors
Ruan Guangli
Ma Yongyi

Employee Representative Supervisors
Ren Jie
Xia Yuhan

AUDIT COMMITTEE

Lau, Chun Fai Douglas *(Chairman)*
Wu Zhengping
Wu Xiaoqing

NOMINATION COMMITTEE

Wu Xiaoqing *(Chairman)*
Wang Wenjing
Lau, Chun Fai Douglas

REMUNERATION AND APPRAISAL COMMITTEE

Cui Qiang *(Chairman)*
Yang Yuchun
Wu Xiaoqing

STRATEGIC COMMITTEE

Wang Wenjing *(Chairman)*
Yang Yuchun
Cui Qiang

JOINT COMPANY SECRETARIES

Bao Jie
Ngai Wai Fung

AUTHORIZED REPRESENTATIVES

Yang Yuchun
Ngai Wai Fung

Note: Mr. Zhang Peilin tendered his resignation from the position as a shareholder representative Supervisor with effect from 1 November 2024 due to him reaching mandatory age for retirement. The appointment of Mr. Li Weimin as a shareholder representative Supervisor was approved at the extraordinary general meeting of the Company on 29 November 2024. For details, please refer to the announcements of the Company dated 31 October 2024 and 29 November 2024 as well as the notice of the Company dated 11 November 2024, respectively.

Corporate Information (continued)

AUDITORS

International Auditor
Ernst & Young
Registered PIE Auditor

PRC Auditor
Ernst & Young Hua Ming LLP

LEGAL ADVISERS

As to Hong Kong law:
DLA Piper Hong Kong

As to PRC law:
Tian Yuan Law Firm

REGISTERED OFFICE AND HEADQUARTERS

Floor 3, Building 3
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Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

1588

COMPANY WEBSITE

www.chanjet.com

CONTACT INFORMATION FOR INVESTORS

Tel: (8610) 6243 4214
Email: IR@chanjet.com

Corporate Profile

As a subsidiary of Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), the Company was established in March 2010 and was listed on the Main Board of the Hong Kong Stock Exchange on 26 June 2014 (Stock Code: 1588). Taking "facilitating MSEs' development in operation and management through creativity and technology" as its mission, striving for the vision of becoming "a worldwide leading provider of cloud services for MSEs" and "a platform for partners and employees enjoying work, making achievements and sharing success", the Company is committed to providing platform services, application services, data-based value-added services for MSEs in the PRC, with a focus on financial and business management cloud services.

The Company is a council member of the China Association of Small and Medium Enterprises, a council member of China Information Industry Association, a member of the China Software Industry Association and a member of the Beijing Software and Information Service Industry Association. It has been regarded as the "Key Software Enterprises under the National Planning Layout (國家規劃佈局內重點軟件企業)" as well as "High and New Technology Enterprises (高新技術企業)" for consecutive years, and was selected into the list of "Specialized and Sophisticated" Small and Medium-sized Enterprises that Produce New and Unique Products in Beijing (北京市「專精特新」中小企業認定名單). According to the 2023 China Enterprise Digital and Intelligent Transformation Market Research Report (《2023年中國企業數智化轉型市場研究報告》) released by Frost & Sullivan, the Company ranked first in terms of the SaaS market share and cumulative paying users of business, finance and taxation applications among China's MSEs, and customers of the Company had the highest satisfaction rate with its brands and products in all dimensions. Moreover, products of the Company had the highest net promoter score. The Company has always safeguarded user information and privacy security with high standards and requirements, and has obtained several authoritative certifications, including Trusted Cloud Security Standard Evaluation (可信雲安全標準評估), National Information Security Protection Level III Certification (國家信息安全等級保護三級認證), ISO27001 Information Security Management System (ISMS) Certification, ISO27701 Privacy Information Management System Certification, ISO27018 Certification of Identifiable Personal Information Protection Management System in Public Cloud, and ISO27017 Cloud Service Information Security Management System Certification.

During the Reporting Period, the Company won the "2024 Excellent Digital Intelligence Enterprise (2024年度卓越數智化企業)" at the "Star of Analysys (易觀之星)" award ceremony hosted by Analysys. At the "2024 Cloud-AI-Computing Innovation and Development Conference (2024雲・AI・計算創新發展大會)" hosted by the Organizing Committee of the Global Digital Economy Conference and organised by the CAICT, the Company was successfully listed as one of the "Valuable 20 Typical Providers of AI SaaS Intelligent Applications in 2024 (2024 AI SaaS智能應用典型供應商 Valuable 20)" and was selected among the first batch of companies enrolled in the "AI Cloud MSP Technical Service Laboratory (AI Cloud MSP技術服務實驗室)". The multimodal intelligent billing of Chanjet Good Business and Finance was shortlisted as a "2024 Typical Case of AI Cloud SaaS (2024年AI Cloud SaaS典型案例)", and the service programme in the overseas version of Good Business and Finance was selected as a "2024 Benchmark Case of Cloud Computing Overseas Service (2024年度雲計算出海服務標桿案例)". At the "2024 Industrial Internet Innovation and Development Conference (2024工業互聯網創新發展大會)" hosted by China Industrial Cooperation Association, the Company was awarded the "2024 Digital and Intelligent Transformation Demonstration Enterprise (2024數智化轉型示範企業)". Chanjet T+Cloud was selected as a "Typical Case of Industrial Internet in 2024 (2024工業互聯網典型案例)". The Company won the "2023 Outstanding Contribution Award for Managing Vulnerabilities (二零二三年度漏洞處置突出貢獻單位)" and "2023 Outstanding Contribution Unit for Vulnerability Handling (二零二三年度漏洞應急工作突出貢獻單位)" by CNVD at the 21st China Cybersecurity Annual Conference and Cybersecurity Collaborative Governance Sub-forum.

Summary of Financial Information

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**959,273**	800,621	680,149	590,324	509,418
Gross profit	**692,047**	538,599	413,608	410,352	425,984
Profit/(loss) before tax	**33,994**	21,696	(211,955)	(193,228)	23,619
Profit/(loss) for the year	**33,464**	15,876	(212,095)	(185,070)	33,392
In which: profit/(loss) for the year attributable to owners of the parent	**33,464**	15,876	(212,095)	(185,070)	33,392
Basic earnings/(loss) per share *(RMB cents/share)*[Note]	**10.4**	5.0	(70.8)	(62.2)	10.4

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	**1,694,662**	1,585,582	1,518,777	1,624,344	1,610,023
Total liabilities	**791,389**	715,924	806,464	700,955	343,922
Total equity	**903,273**	869,658	712,313	923,389	1,266,101
In which: equity attributable to owners of the parent	**903,273**	869,658	712,313	923,389	1,266,101
Net assets per share *(RMB/share)*[Note]	**2.8**	2.7	2.4	3.1	3.9

Note: Basic earnings/(loss) per share and net assets per share were based on weighted average share capital during the Reporting Period, and the data from 2020 were adjusted accordingly based on the Company's Capitalisation Issue completed in 2021.

Chairman's Statement

Wang Wenjing
Chairman

Dear honorable Shareholders,

On behalf of the Board, I hereby present the Shareholders with the 2024 annual report of the Group and report the 2024 results and the 2025 business prospects of the Group for the Shareholders' perusal.

In 2024, China's gross domestic product (GDP) increased by 5.0% year-on-year, and its overall operation has been stable and making steady progress. The Group continued to focus on the two major areas of digital intelligent finance and taxation and digital intelligent business for MSEs. Firmly adhering to the principle of customer success, the Group made efforts to enhance product competitiveness, expedite the application of AI technology in product innovation and corporate operation, pursue ecological co-prosperity from application services to ecological platform services, and promote the large-scale and efficient development of businesses. During the Reporting Period, the Group achieved revenue of RMB959.27 million, representing a year-on-year increase of 20%, of which revenue from cloud subscriptions was RMB653.81 million, representing a year-on-year increase of 34%, accounting for nearly 70% of the total revenue, and has successfully realized the transformation of cloud subscription business model. The Group recorded a profit attributable to owners of the parent of RMB33.46 million, representing a year-on-year increase of 111%. As of the end of the Reporting Period, the accumulated paying enterprise users of the cloud service business of the Group reached 775,000.

Chairman's Statement (continued)

During the Reporting Period, at the product level, the Group expedited product innovation and development in the fields of "new finance and taxation, new commerce, new retail, new manufacturing and new service" ("**Five-New**"), further improved the automation and intelligence level of digital intelligent finance and taxation, enhanced the comprehensive advantages of business-finance integration, and built a next-generation enterprise-level AI-native application development platform to continuously improve product competitiveness. In the field of digital intelligent finance and taxation, 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, the Group seized market opportunities to further consolidate the advantages in integration of invoice, finance, tax, fee, bank and filing of digital intelligent finance and taxation products. Leveraging the development of AI technology, the intelligent finance and taxation BaaS service that provides fully automatic bookkeeping and tax filing services for micro enterprises has continuously improved the efficiency and accuracy of whole-process automatic bookkeeping and tax filing, laying a solid foundation for the large-scale promotion of BaaS service. In the field of digital and intelligent business, the Group made continued efforts to strengthen the innovation and industry-specific features of products in the fields of new commerce, new retail, new manufacturing and new service, deeply integrated AI technologies with SaaS products, and enhanced the application and innovation of data intelligence technologies. The newly launched multimodal billing robot significantly enhanced enterprise transaction efficiency. Through the deployment of virtual digital workforce including approval robots, business process robots, and printing robots, the Group helped MSEs enhance performance capabilities, reduce cost and improve efficiency.

During the Reporting Period, at the marketing level, the Group adhered to a philosophy of mutual benefit, continuously strengthened channel network layout, expanded the density and breadth of market coverage in key regions, and diversified collaborations with ecosystem partners. The Group established a multi-dimensional marketing activity system to comprehensively support and empower value-added distribution service providers, and promoted the upgrading of their operation models and business growth. In the direct sales channel, the Group further refined the precise customer acquisition marketing strategy, with a focus on the popularisation of finance and taxation market, fully leveraged the deep application of AI in marketing, optimised the standardized marketing process, significantly improved operational efficiency and customer conversion rates. Through AI large models, the Group acquired high-quality leads at scale, facilitating the large-scale development of user payment conversions and realizing rapid growth in direct sales revenue. The Group continuously enhanced the ecological openness and integration capabilities, accelerated product integration and innovation with ISV partners, and expanded ecological collaboration scenarios with IaaS cloud providers, telecom operators, industrial Internet platforms, mainstream collaborative office platforms, banks, etc. These efforts fostered co-prosperity with ecosystem partners.

PROSPECTS

In 2025, 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-foremost" strategy, and expedite the application of AI technology 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.

(I) Strengthening its absolute leadership in digital intelligent finance and taxation by leveraging on 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. In terms of the digital intelligent finance and taxation, the Group will consolidate product leadership under the dual drivers of policy and technology in line with the "comprehensive intelligence" of the intelligent finance and taxation market, the "automation" of accounting agent tools, the "compliance" of professional accounting markets, and the "refinement" of business-finance integration markets. Supported by AI large model technology, the finance and taxation intelligent agent for automatic bookkeeping and tax filing will be continuously optimized and mature, and the intelligent finance and taxation BaaS service is poised to achieve scalable user growth. In terms of digital intelligent business, the Group will persistently enhance AI's supporting capabilities for products by launching a zero-code-centric agile delivery platform and introducing XiaoChang Intelligent Assistant service powered by AI Agent technology to elevate customers' intelligent experience. In terms of new commerce, new retail, new manufacturing and new service, the Group will focus on key industries to accelerate the development of front-end business characteristics and industry-specific features, further consolidate localized financial and operational attributes in international product versions, and extend its business development scope into global markets.

(II) Developing direct sales, distribution, and cooperative sales in parallel, expanding market coverage, and facilitating MSEs' digital and intelligent transformation and upgrading

The Group will continuously adhere to the principle of prioritising cloud service business and subscriptions, pursue scale-driven, platform-based, and ecosystem-oriented development, and enhance intelligent services. The Group will vigorously expand channel networks into lower-tier markets and increase workforce engagement, and through professional empowerment, strengthen the operational capabilities and personnel professional capacity building of value-added distribution service providers, thereby advancing business model upgrades. By capitalizing on opportunities arising from digital transformation projects of small and medium scale enterprises in different regions and AI technology advancements, the Group will enhance customer acquisition and refined operation capabilities to drive sustained growth in business revenue. In the "Five-New" fields, the Group will focus on the economic and industrial belt to strengthen the stronghold for industrialized and digital intelligent operation for MSEs, and consistently carry out diversified marketing activities to facilitate the digital intelligent transformation and upgrading of MSEs.

In the direct sales channel, the Group will speed up development. Efforts will be made to continuously improve data and content infrastructure to enable data-driven decision-making and content-enhanced conversion, thereby building a highly efficient marketing system. By leveraging AI technology to empower full-chain operations, the Group aims to precisely enhance customer acquisition efficiency and sales conversion rates. Through AI-driven content distribution, customer insights, solution optimization, and intelligent communication tactics, business efficiency and customer full life cycle value will be comprehensively elevated. The Group will implement a channel-specific strategy, including tiered operations, accurate user profiling, content operations, and social media matrix marketing. It will establish an operational system spanning "acquisition–conversion–repurchase–dissemination" to holistically improve user reach, sales conversion, and customer success outcomes, ultimately achieving sustainable growth in direct sales business.

Chairman's Statement (continued)

In terms of the ecosystem cooperation, the Group will expand high-quality channels, increase value traffic, and grasp high-efficiency revenues. The Group will collaborate with ecosystem partners to enhance the customer application value and depth of products; continue to strengthen its in-depth cooperative relations with telecom operators, banks, Internet platforms and other strategic partners as a way to continuously broaden the coverage of the terminal market and promote the scalable development of business; and 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 customer business processes, 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 customer value growth. Leveraging AI to enhance service efficiency, the Group will utilize AI-powered robots and customer success models to predict customer issues in advance. This enables the creation of proactive, personalized, and scenario-based service models that thoroughly understand core customer demands, expand service coverage, and satisfy diversified needs of customers. With a strengthened customer-value orientation, the Group will empower partners to deliver customers multi-tiered application value in an all-round way. While achieving customer success, the Group will facilitate mutual growth between partners and customers.

(III) Building a strong team by strengthening capabilities, cultivating talents and improving staff efficiency

The Group will comprehensively enhance organizational capability by optimizing talent development frameworks, precisely identifying core competencies, continuously refining workforce allocation, and formulating targeted enhancement plan. Through upgrading compensation structures and exploring innovative performance evaluation mechanisms, the Group aims to stimulate team vitality and propel business growth with greater efficiency. The Group will continue to deepen the implementation of corporate cultural values to enhance team cohesion and foster a sense of belonging. Our goal is to build a healthy organization that flexibly adapts to market changes and maintains efficient internal operations, and ultimately achieve sustainable development objectives. The Group will consistently reinforce organizational and talent competitiveness to ensure steady progress amid rapid market changes, so as to lay a solid foundation for the sustainable and healthy development.

On behalf of the Board of the Company, I sincerely express my gratitude to all Shareholders and investors for their support, and my appreciation to the management and all employees of the Company for their dedicated efforts and contributions to the development of the Group.

Wang Wenjing
Chairman
27 March 2025

Management Discussion and Analysis

BUSINESS REVIEW

Development Trend of the Industry

According to the data of the State Administration for Market Regulation, by the end of 2024, there were 189 million registered business entities nationwide, representing an increase of 3.1% compared to the end of 2023, with steady improvement in the development quality of business entities. During the Reporting Period, the Chinese government continued to implement various measures in relation to tax and fee reductions, financing support, optimizing business environment, policy guidance, service guarantees, etc. to support the development of MSEs, which constitute a vital component of the national economy. In terms of tax and fee reductions, the state maintained a series of policies in this regard that benefited MSEs nationwide. In terms of financing support, the General Office of the National Financial Regulatory Administration issued the Notice on Effectively Promoting Inclusive Credit for 2024 (《關於做好2024年普惠信貸工作的通知》), requiring to sustain credit support intensity, stabilize credit pricing, optimize credit supply structures, and better meet the diversified financial needs of MSEs. In terms of service guarantees, the State Taxation Administration and the All-China Federation of Industry and Commerce released the 2024 Special Action Plan of "Spring Rain Nourishes Seedlings" to Promote the Development of Micro and Small Scale Business Entities (《2024年助力小微經營主體發展「春雨潤苗」專項行動方案》), which launched 12 service measures on the basis of continuing and deepening the action of "Spring Rain Nourishes Seedlings" in the past three years so as to promote high-quality development of MSEs, individual businesses and other micro and small scale business entities. In addition, the general offices of 18 departments including the Ministry of Industry and Information Technology jointly issued a notice to launch the 2024 "Working Together to Benefit Enterprises" service campaign for micro, small and medium scale enterprises, with a focus on resolving policy implementation bottlenecks, addressing pain points and difficulties in operations, and enhancing development quality and efficiency, thereby providing high-level services to facilitate the high-quality development of micro, small and medium scale enterprises.

During the Reporting Period, the Ministry of Industry and Information Technology, the Ministry of Finance, the People's Bank of China, and the National Financial Regulatory Administration jointly released the Special Action Plan for Empowering Small and Medium Scale Enterprises with Digital Means (2025-2027) (《中小企業數字化賦能專項行動方案(2025-2027年)》), aiming to leverage the guiding role of central fiscal funds to encourage local governments to increase financial support for the digital transformation of small and medium scale enterprises, and provide phased support for approximately 100 cities to pilot the digital transformation of small and medium scale enterprises, and drive over 40,000 small and medium scale enterprises to undertake digital transformation. In addition, the plan seeks to enhance the digital transformation service system for small and medium scale enterprises by cultivating a batch of digital transformation service providers as a way to strengthen service capability and improve service quality and level.

Since the pilot launch of the All-electronic Invoices on 1 December 2021, the initiative has progressed steadily and orderly. The State Taxation Administration has decided to officially roll out All-electronic Invoices nationwide since 1 December 2024, alongside the launch of the New Electronic Tax Bureau nationwide. The uniformity and openness of invoice and tax provided a good technical foundation for MSEs to apply services which integrated business, invoice, finance and tax, driving growing demand for digital intelligent products among MSEs. On 1 July 2024, the newly amended Accounting Law took effect, making it clear that the state aims to strengthen accounting informatization and encourage the use of modern information technologies in accounting practices in accordance with law, thereby providing solid legal support for the advancement of accounting informatization. The amended law also significantly increases legal liabilities and penalty amounts for accounting violations, promoting enterprises to strengthen their compliance operations.

Management Discussion and Analysis (continued)

During the Reporting Period, the integration of AI and SaaS evolved towards scenario-based, industry-specific, and platform-oriented development. Embedded AI technologies tailored to business scenarios were deeply integrated into SaaS products, enabling the delivery of more premium, efficient, and intelligent services for customers. This integration not only enhanced the autonomy and intelligent analysis and comprehension capability of the products but also empowered them with natural language processing technologies to interpret user intent so as to offer more natural and convenient interaction experience. In the SaaS sector, the integration of generative AI and machine learning algorithms demonstrated significant potential to fundamentally transform user experience, optimize operational efficiency, and elevate customer application value. AI could empower SaaS enterprises to attract more new customers, boost the stickiness of existing customers and create opportunities for them to upgrade and expand services, thereby bringing fresh growth opportunities for the entire industry.

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

Major Risks and Uncertainties

The major risks and uncertainties faced by the Group in its business operations include: (1) a complex and severe external environment may have an adverse impact on MSEs in terms of investment in informatization; (2) under fierce competition in the cloud services market for MSEs, low market concentration and rapid product and technological updates, the Group may face a risk in consolidating and enhancing the competitive advantages of its products if such products fail to meet the ever-changing needs of MSEs customers in a timely manner; and (3) as the government and customers escalate their requirements for information and cyber security, the Group faces strict compliance and legal responsibilities in terms of cyber security and protection of data and privacy; since the Group's products and services mainly rely on the network, and the resources such as users, information and data are highly concentrated, the products and services are subject to the risk of incursions of network viruses and hackers or system interruptions.

To address the above major risks and uncertainties, the Group will make continuous efforts to enhance its product competitiveness, maintain its absolute leadership in digital intelligent finance and taxation leveraging on the core advantages of relevant products, strengthen the competitive advantages of digital intelligent business products, improve the comprehensive competitiveness of business-finance integration products, and at the same time strengthen the application of new technologies such as artificial intelligence in products to improve the customer application value of products. Developing direct sales, distribution, and co-selling in parallel and adhering to pursuing co-prosperity through diversified value-added reseller and eco-partners, the Group will further enhance the depth and breadth of market coverage, expedite the development of direct sales business, strengthen the operation and management of the full life cycle of customers, comprehensively enhance consumer reach, sales conversion and customer success, and improve customer satisfaction and stickiness. While maintaining the rapid development of the business, the Group has always adhered to high standards and requirements to protect user information and privacy security, and has continuously strengthened and improved the handling and emergency response mechanism for information security issues to cope with the increasingly complicated network security environment, so as to continuously provide safe and reliable cloud services for MSEs.

Management Discussion and Analysis (continued)

Principal Business and Operating Conditions

During the Reporting Period, the Group persistently 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 "Five-New", further improved the automation and intelligence level of digital intelligent finance and taxation, enhanced the comprehensive advantages of business-finance integration, and built a next-generation enterprise-level AI-native application development platform to continuously improve product competitiveness. The Group continued to strengthen the channel network layout and promote the channel sinking to cover county-level market, enhanced the density and breadth of market coverage in key regions, and empowered value-added distribution service providers to improve customer acquisition and customer success operation capability with the help of AI, big data and other technologies. The Group continued to enhance the ecological openness and integration capabilities of Chanjet's Open Platform, and accelerated product integration and innovation with ISV ecosystem partners to expand ecological collaboration scenarios and strengthen the product ability to occupy ecological channels. In terms of the direct sales business, the Group continued to deepen the precise customer acquisition marketing strategy, explored a deeper application of AI in marketing to acquire business opportunity leads at scale, upgraded customer success operation system to continuously improve the payment conversion rates, thereby achieving sustained and rapid growth in the direct sales business. Meanwhile, the Group actively explored global business development by launching the overseas version of Chanjet Good Business and Finance (暢捷通好業財) to expand into global markets.

During the Reporting Period, the Group achieved a revenue of RMB959.27 million, representing an increase of 20% over the last year, of which revenue from cloud subscriptions was RMB653.81 million, representing an increase of 34% over the last year, accounting for nearly 70% of the total revenue, and has successfully realized the transformation towards cloud subscription business model. As at the end of the Reporting Period, contract liabilities from cloud subscriptions were RMB629.24 million, representing an increase of 18% over the end of last year. During the Reporting Period, the Group achieved a gross profit of RMB692.05 million, representing an increase of 28% over the last year. The Group recorded a profit attributable to owners of the parent of RMB33.46 million, representing an increase of 111% as compared to last year; and the basic earnings per share of the Group was RMB0.104, representing an increase of 108% as compared to last year.

During the Reporting Period, the Group recorded net operating cash inflow of RMB91.30 million, a significant turnaround from the previous year's net operating cash outflow of RMB42.05 million. As of the end of the Reporting Period, the cash and bank balances of the Group amounted to RMB1,259.03 million, and the financial position of the Group continued to maintain healthy and stable.

During the Reporting Period, the number of new paying enterprise users of the Group's cloud service business was 143,000. As of the end of the Reporting Period, the number of accumulated paying enterprise users of cloud service business reached 775,000.

1. *Development of products*

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

In the field of digital intelligent finance and taxation, with the nationwide rollout of the All-electronic Invoices and the New Electronic Tax Bureau, the digital intelligent finance and taxation products of the Group seamlessly connected with tax digital accounts through automation technology, and supported the processing of new electronic certificates such as e-tickets for aviation and railways. The comprehensive digitization of financial documents provided a robust foundation for enterprises to intelligently complete the entire process of bookkeeping, tax declaration, and filing. Moreover, digital intelligent finance and taxation products enabled one-click tax declaration in all 36 tax districts in China, further improving automatic and intelligent capabilities. Leveraging the development of AI technology, the intelligent finance and taxation BaaS service that provides fully automatic bookkeeping and tax filing services for micro enterprises has continuously improved efficiency and accuracy of whole-process automatic bookkeeping and tax filing. This innovation drove a shift in the accounting agency industry from a "tool + human" model to a "tool + algorithm" model, laying a solid foundation for the large-scale promotion of BaaS service.

During the Reporting Period, in terms of digital intelligent finance and taxation, the Group continued to strengthen ecological cooperation, and collaborated with multiple platform providers and banks on product integration and innovation. By expanding ecological collaboration scenarios through its finance and taxation open platform, the Group enhanced the product ability to occupy ecological channels. The Group enhanced the ecological integration capabilities of its finance and taxation open platform by establishing effective connections between business-finance data and platform, industry-specific, and vertical SaaS products through over 50 connector products. These efforts further consolidated the Group's advantages in the digital intelligent finance and taxation sector.

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

In the field of digital intelligent business, the Group made continuous efforts to strengthen product innovation and development in the fields of new commerce, new retail, new manufacturing and new service, deeply integrated AI technologies with SaaS products, and enhanced the application and innovation of data intelligence technologies. By leveraging dynamic metrics, data labeling, and billboard capabilities built through data warehouses, the Group assisted managers and decision-makers in gaining deep insights into business operations and enhancing decision-making capabilities. The Group introduced a multimodal billing robot powered by large models, OCR technology, etc., supporting multiple billing methods, such as voice, text, and image-based billing to significantly boost the transaction efficiency of enterprises. Through the deployment of virtual digital workforce including approval robots, business process robots, and printing robots, the Group helped MSEs enhance performance capabilities, reduce cost and improve efficiency. During the Reporting Period, in response to the characteristics of economic transformation and upgrading, the Group focused on enhancing industry-specific features of products in key sectors including new commerce, new retail, new service, and new manufacturing. By leveraging low-code or zero-code platform capabilities, the Group implemented an operational process of "industry-specific marketing – industry-specific experience – industry-specific delivery" to boost customer conversion rates. This approach continuously enhanced the flexible scalability of standardized products, and elevated the delivery quality and efficiency.

During the Reporting Period, in terms of digital intelligent business, the Group continued to strengthen ecological capacity building, enhanced integration and opening capabilities with collaborative office platforms such as DingTalk, WeCom, Feishu and Kingsoft Office. Through in-depth product integration with platforms and the further enriched ecological cooperation scenarios, the Group continuously boosted the platform traffic conversion rate, expanded customer groups, and further improved product competitiveness and market coverage.

During the Reporting period, the Group launched "Chanjet Smart ERP", an international version of Chanjet Good Business and Finance, supporting multiple languages including English, Indonesian, Vietnamese, Thai, and Spanish. This move marked the Group's initial phase of global market expansion, aiming to support Chinese enterprises to go global and facilitate the digital and intelligent transformation and upgrading of localized enterprises abroad.

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

During the Reporting Period, the ISV and developer ecosystems of Chanjet products continued to expand. As of the end of the Reporting Period, the Open Platform had more than 3,200 certified ISVs, enriching integrated solutions of Chanjet products and ISV applications. The low-code or zero-code platform attracted 3,500 developers, who created more than 6,300 applications, further addressing the personalized, industry-specific, and multi-scenario digital needs of MSEs. The Open Platform integrated XiaoChang Intelligent Assistant, and by virtue of AI Agent framework and RAG (Retrieval Augmented Generation) technology and leveraging a continuously updated FAQ knowledge base and an industry benchmark case base, provided developers with precise technical consultation and innovative resources, thereby effectively accelerating product iteration and innovation. The Open Platform also incorporated large language models and multimodal technologies to enable intelligent SQL (Structured Query Language) scripting and form generation, significantly improving data processing and UI development efficiency. The adoption rate of AI-generated codes exceeded 30%, further lowering barriers for ISV integration and boosting R&D productivity of ISVs. The application of AI technologies drove the development of the Open Platform towards intelligent and high-efficiency operations. Meanwhile, the Group also enhanced the socialized public digital service capability of Chanjet cloud products in terms of interconnectivity such as bank-enterprise connectivity, tax-enterprise connectivity, payment channel, e-commerce connect, and master data standardization. These upgrades enriched product portfolio and functions, and strengthened the customer stickiness and competitiveness of the Group's SaaS products.

(4) Escalating the information security management of cloud service

During the Reporting Period, the Group continued to adhere to the high-standard, strict security management philosophy, actively fulfilled information security responsibilities, and ensured no major security incidents occurred throughout the year. Building on safeguarding user information and privacy security, the Group not only reinforced its own security defenses but also spearheaded industry security standard advancements through innovative measures. During the Reporting Period, the Group enhanced security management services by proactively assisting clients in security reinforcement and risk identification and elimination, thereby further elevating their awareness and capabilities in security management. Meanwhile, the Group maintained a strong sense of social responsibility, and collaborated with regulatory authorities and partners to conduct high-level security training programs nationwide. Such efforts steadily promoted the synergistic advancement of security operations and business development, helping improve the information security level in the industry.

The Group deepened technological innovation of C.MSP (暢雲管家), a one-stop application hosting platform independently developed by the Group, coupled with years of accumulated technical management experiences, providing MSEs with comprehensive and reliable security operation and maintenance services. Built on mainstream IaaS platforms, C.MSP offers application management, network and host security protection, automatic backup, security assurance and other functions, thereby holistically safeguarding the data, operation and maintenance of MSEs, effectively defending against diverse cyber threats and protecting the digital transformation of MSEs. During the Reporting Period, the new order amount of C.MSP increased by 58% year-on-year.

2. *Development of business operations*

During the Reporting Period, the Group adhered to a philosophy of mutual benefit, continuously strengthened channel network layout, expanded the density and breadth of market coverage in key regions, and diversified collaborations with ecosystem partners. The Group established a multi-dimensional marketing activity system to comprehensively support and empower value-added distribution service providers. The Group advanced digital marketing and refined operation solutions with AI technology, improved the capability of value-added distribution service providers to acquire and convert business opportunities, and promoted the upgrading of their operation models and business growth. In the "Five-New" fields, the Group continued to deepen its presence in the economic and industrial belts, and delivered high-quality digital and intelligent services to a growing number of MSEs, thereby supporting their transformation, upgrading, and sustainable development.

In the direct sales channel, the Group further refined the precise customer acquisition marketing strategy, with a focus on the popularisation of finance and taxation market, fully leveraged the deep application of AI in marketing. By precisely targeting lower-tier markets, the Group continuously optimised the allocation of resources for cooperative channels such as e-commerce platforms, ecological platforms, social platforms, and social training institutions, improved the operation system and process of transferring public domain traffic to private domains. Through AI large models, the Group acquired high-quality leads at scale, optimized the entire marketing processes and significantly improved the quality of business opportunities, thereby improving operational efficiency and customer conversion rates and facilitating the large-scale development of user payment conversions. During the Reporting Period, revenue from direct sales business increased by 58% year-on-year.

In the cooperative sales channel with ecosystem partners ("**cooperative sales**"), the Group continuously deepened its collaboration as an integrated partner with IaaS cloud providers, telecom operators, and industrial Internet platforms. It continued to launch products and optimize operations with mainstream collaborative office platforms in China, achieving a 51% year-on-year increase in new order amount during the Reporting Period. For banking ecosystem cooperation, the Group continued to deepen the application experience. On the one hand, the Group strengthened interconnectivity for electronic document reception and account reconciliation for banks. On the other hand, the Group advanced integrating and being integrated collaborations with top-tier banks on digital cloud applications tailored for MSEs. In terms of the national special action on digital transformation of small and medium scale enterprises jointly launched by the Ministry of Industry and Information Technology and three other departments, the Company actively participated in regional selections for digital service providers. By the end of the Reporting Period, the Group had been successfully selected in 16 cities, and collaborated with local service partners to drive digital transformation and cloud integration for MSEs.

In terms of customer success, the Group enhanced the operation and management of the whole life cycle of customers. By distinguishing different usage phases, the Group helped customers apply products and services rapidly and deeply to enhance customer satisfaction and stickiness. The Group actively applied AI technology to improve intelligent services and service efficiency and reduce service costs, laying a solid foundation for the scalable and efficient development of the Group's customers.

3. *Development of brand and market*

During the Reporting Period, the Company won the "2024 Excellent Digital Intelligence Enterprise (2024年度卓越數智化企業)" at the "Star of Analysys (易觀之星)" award ceremony hosted by Analysys. At the "2024 Cloud-AI-Computing Innovation and Development Conference (2024雲 · AI · 計算創新發展大會)" hosted by the Organizing Committee of the Global Digital Economy Conference and organised by the CAICT, the Company was successfully listed as one of the "Valuable 20 Typical Providers of AI SaaS Intelligent Applications in 2024 (2024 AI SaaS智能應用典型供應商 Valuable 20)" and was selected among the first batch of companies enrolled in the "AI Cloud MSP Technical Service Laboratory (AI Cloud MSP技術服務實驗室)". The multimodal intelligent billing of Chanjet Good Business and Finance was shortlisted as a "2024 Typical Case of AI Cloud SaaS (2024年AI Cloud SaaS典型案例)", and the service programme in the overseas version of Good Business and Finance was selected as a "2024 Benchmark Case of Cloud Computing Overseas Service (2024年度雲計算出海服務標桿案例)". At the "2024 Industrial Internet Innovation and Development Conference (2024工業互聯網創新發展大會)" hosted by China Industrial Cooperation Association, the Company was awarded the "2024 Digital and Intelligent Transformation Demonstration Enterprise (2024數智化轉型示範企業)". Chanjet T+Cloud was selected as a "Typical Case of Industrial Internet in 2024 (2024工業互聯網典型案例)". The Company won the "2023 Outstanding Contribution Award for Managing Vulnerabilities (二零二三年度漏洞處置突出貢獻單位)" and "2023 Outstanding Contribution Unit for Vulnerability Handling (二零二三年度漏洞應急工作突出貢獻單位)" by CNVD at the 21st China Cybersecurity Annual Conference and Cybersecurity Collaborative Governance Sub-forum.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

	For the year ended 31 December			
	2024	2023	Change in amount	Percentage change
	RMB'000	*RMB'000*	*RMB'000*	*%*
Revenue	**959,273**	800,621	158,652	20
Cost of sales and services provided	**(267,226)**	(262,022)	(5,204)	2
Gross profit	**692,047**	538,599	153,448	28
Gross profit margin	**72%**	67%	5%	
Other income and gains, net	**52,962**	136,398	(83,436)	(61)
Research and development costs	**(210,844)**	(247,340)	36,496	(15)
Selling and distribution expenses	**(408,008)**	(335,535)	(72,473)	22
Administrative expenses	**(82,893)**	(67,943)	(14,950)	22
Impairment losses on financial assets	**(3,283)**	(628)	(2,655)	423
Other expenses	**(391)**	(592)	201	(34)
Finance costs	**(425)**	(989)	564	(57)
Share of loss of an associate	**(5,171)**	(274)	(4,897)	1,787
Profit before tax	**33,994**	21,696	12,298	57
Income tax expense	**(530)**	(5,820)	5,290	(91)
Profit for the year	**33,464**	15,876	17,588	111
Attributable to:				
Owners of the parent	**33,464**	15,876	17,588	111

Management Discussion and Analysis (continued)

Operating Results

During the Reporting Period, the revenue of the Group was RMB959.27 million, representing an increase of 20% as compared to last year. Profit for the year and profit attributable to owners of the parent were both RMB33.46 million, representing an increase of 111% as compared to last year. The basic earnings per share of the Group were RMB0.104, representing an increase of 108% as compared to last year.

During the Reporting Period, the Group recorded a profit attributable to the owners of the parent of RMB33.46 million, as compared to a profit attributable to the owners of the parent of RMB15.88 million last year, among which: (i) the gain recognised from the disposal of the Finance & Taxation Practical Skills Training Product and Service Business was RMB43.75 million last year (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 for the current year; and (ii) a fair value gain on unlisted equity investments at fair value through profit or loss was RMB36.80 million last year, whereas a fair value gain of RMB0.13 million was recorded for the current year. After excluding the impact of non-operating factors in (i) and (ii), the Group's profit attributable to owners of the parent during the Reporting Period amounted to RMB33.34 million, representing a significant turnaround from the loss attributable to owners of the parent of RMB64.68 million last year, which was mainly because (i) the Group firmly implemented the long-term strategy of prioritising cloud service business and subscriptions, leading to the continuous expansion of its new paying enterprise users scale and rapid growth in revenue; and (ii) the Group promoted the scalable and efficient development of businesses, resulting in gross profit margin increasing by 5 percentage points over last year as well as an improvement in staff efficiency and a decrease in labor costs as compared to last year.

Revenue

For the year ended 31 December 2024, the revenue of the Group was RMB959.27 million, representing an increase of 20% as compared to last year, of which revenue from cloud subscriptions was RMB653.81 million, representing an increase of 34% as compared to last year. Revenue from cloud subscriptions accounted for 68% of the total revenue.

Cost of Sales and Services Provided

For the year ended 31 December 2024, the Group's cost of sales and services provided amounted to RMB267.23 million, representing an increase of 2% as compared to last year.

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

	For the year ended 31 December					
	2024		2023		Change in amount	Percentage change
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Contract operation costs	**206,487**	**77**	206,098	79	389	0
Labour costs	**25,585**	**10**	16,964	6	8,621	51
Operation and maintenance costs	**17,481**	**7**	19,213	7	(1,732)	(9)
Service costs	**14,596**	**5**	11,358	4	3,238	29
Amortisation of intangible assets	**20**	**0**	4,206	2	(4,186)	(100)
Software development and production costs	**765**	**0**	1,069	1	(304)	(28)
Other costs	**2,292**	**1**	3,114	1	(822)	(26)
Cost of sales and services provided	**267,226**	**100**	262,022	100	5,204	2

Gross Profit and Gross Profit Margin

For the year ended 31 December 2024, the Group's gross profit was RMB692.05 million, representing an increase of 28% over last year, which was mainly due to the expansion of revenue scale of cloud subscriptions, and meanwhile the increase in the gross profit margin from cloud subscriptions business during the Reporting Period, resulting in the Group's gross profit margin increasing by 5 percentage points over last year to 72%.

Other Income and Gains, Net

For the year ended 31 December 2024, the Group's other income and gains, net amounted to RMB52.96 million, representing a decrease of 61% over last year, which was mainly because: (i) the gain recognised from the disposal of the Finance & Taxation Practical Skills Training Product and Service Business of RMB43.75 million was recorded last year, whereas there was no such gain for the current year; and (ii) a fair value gain on unlisted equity investments at fair value through profit or loss of RMB36.80 million was recorded last year, whereas a fair value gain of RMB0.13 million was recorded for the current year.

Management Discussion and Analysis (continued)

Total Research and Development Investment

	For the year ended 31 December					
	2024		2023		Change in amount	Percentage change
	RMB'000	***%***	*RMB'000*	*%*	*RMB'000*	*%*
Research and development costs	**210,844**	**92**	247,340	100	(36,496)	(15)
Additions to deferred development costs	**18,143**	**8**	–	–	18,143	N/A
Total research and development investment	**228,987**	**100**	247,340	100	(18,353)	(7)

For the year ended 31 December 2024, the Group's total research and development investment costs amounted to RMB228.99 million, representing a decrease of 7% as compared to last year, which was mainly due to the decrease in labour costs. Among which, research and development costs amounted to RMB210.84 million, representing a decrease of 15% as compared to last year, and additions to deferred development costs amounted to RMB18.14 million during the year.

Selling and Distribution Expenses

For the year ended 31 December 2024, the selling and distribution expenses of the Group were RMB408.01 million, representing an increase of 22% as compared to last year, which was mainly due to the corresponding increase in sales and promotion expenses as a result of the Group's continuous promotion of the scalability of the business, proactive diversification of the layout of its business partners and increase in its investment in direct sales during the Reporting Period.

Administrative Expenses

For the year ended 31 December 2024, the administrative expenses of the Group were RMB82.89 million, representing an increase of 22% as compared to last year, which was mainly due to the increase in labour costs (including the compensation for loss of office) as compared to last year.

Income Tax Expense

For the year ended 31 December 2024, the income tax expense of the Group amounted to RMB0.53 million, representing a decrease of 91% as compared to last year, which was mainly attributable to the decrease in income tax expense arising from the significant reduction in deferred tax liabilities in respect of gain on change in fair value on unlisted equity investments.

Management Discussion and Analysis (continued)

Profit Attributable to Owners of the Parent

For the year ended 31 December 2024, the Group recorded a profit attributable to owners of the parent of RMB33.46 million, representing an increase of 111% as compared to a profit attributable to owners of the parent of RMB15.88 million last year.

Liquidity

Condensed cash flow statement

	For the year ended 31 December		
	2024	2023	Change in amount
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from/(used in) operating activities	**91,296**	(42,048)	133,344
Net cash flows used in investing activities	**(378,558)**	(65,692)	(312,866)
Net cash flows used in financing activities	**(7,878)**	(7,432)	(446)

Net cash flows from/(used in) operating activities

For the year ended 31 December 2024, net cash flows from operating activities of the Group was RMB91.30 million, while net cash flows used in operating activities of the Group was RMB42.05 million last year. The operating cash flows turned from negative to positive, which was mainly due to the increase in receipts from the Group's cloud services business and the decrease in the related payments to employees.

During the Reporting Period, the Group paid a total of RMB28.98 million (last year: RMB74.88 million) in cash to employees under the Point Scheme and the Long-term Incentive Bonus Scheme.

Net cash flows used in investing activities

For the year ended 31 December 2024, net cash flows used in investing activities of the Group was RMB378.56 million, representing an increase of RMB312.87 million as compared to the net cash flows used in investing activities of RMB65.69 million last year, which was mainly due to the Group's purchases of time deposits and capital increase to Chanjet Payment during the Reporting Period.

Net cash flows used in financing activities

For the year ended 31 December 2024, net cash flows used in financing activities of the Group was RMB7.88 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 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**1,259,031**	1,037,565
Wealth management products presented in financial assets at fair value through profit or loss	**–**	153,055
Total	**1,259,031**	1,190,620
Current ratio[note 1]	**193%**	229%
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 HK$ and small amount denominated in US$, details of composition of the currency form are set out in note 22 to the financial statements. 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 funds 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 31 December 2024 was 193% (31 December 2023: 229%). The decrease in the current ratio was mainly due to the decrease in current assets as a result of the Group's purchase of certain time deposits with a maturity of more than one year, as well as an increase in contract liabilities of current liabilities.

As at 31 December 2024, as the Group had no interest-bearing liabilities (other than lease liabilities), the Group's gearing ratio was nil (31 December 2023: Nil).

Capital Expenditure

For the year ended 31 December 2024, the capital expenditure of the Group primarily included the additional expenditure on property, plant and equipment of RMB1.06 million (2023: RMB0.79 million); the additional expenditure on right-of-use assets (mainly refers to leased office buildings) of RMB3.45 million (2023: RMB1.05 million); and the additional expenditure on intangible assets of RMB18.15 million (2023: RMB0.32 million).

Contingent Liabilities

As at 31 December 2024 and 31 December 2023, the Group had no significant contingent liabilities.

Charges on Assets

As at 31 December 2024 and 31 December 2023, 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 report.

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 U.S., a subsidiary of the Company, settles in US$. 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 report, the Group had no significant events after the Reporting Period which need to be disclosed.

Biographies of Directors, Supervisors and Senior Management

DIRECTORS

Non-executive Directors

Mr. Wang Wenjing (王文京), aged 60, has been the Chairman of the Board and a non-executive Director since 19 March 2010. He is primarily responsible for providing guidance and supervision regarding the business and operation of our Group. Mr. Wang is one of the co-founders of Yonyou, which is the controlling Shareholder. He has over 35 years of working experience in the PRC software industry and has extensive experience in corporate management and business operation. Mr. Wang served as the Chairman of the Board of Yonyou since December 1988. Mr. Wang has been the Chairman of the Board of Yonyou Auto Technology since July 2010, the Chairman of the Board of Yonyou Fintech since July 2012, the Chairman of the Board of Seentao Technology from June 2015 to January 2018 and from October 2019 to January 2021, and has only been a director of Seentao Technology since January 2021. Mr. Wang was elected as a member of the 9th to 12th session of the NPC for a term from March 1998 to March 2018 and served as the vice chairman of the 10th All-China Federation of Industry and Commerce (中華全國工商業聯合會) and China Software Industry Association. Mr. Wang is currently the vice chairman of the Internet Society of China (中國互聯網協會), China Enterprise Confederation (中國企業聯合會), China Enterprise Directors Association (中國企業家協會), etc.. Mr. Wang graduated from Jiangxi University of Finance and Economics (formerly known as Jiangxi College of Finance and Economics) with a bachelor's degree in economics in July 1983.

Mr. Wu Zhengping (吳政平), aged 60, has been a non-executive Director since 19 March 2010. He is primarily responsible for providing strategic advice to the business and operation of the Group. He has over 30 years of working experience in the PRC software industry and has extensive experience in corporate management and business operation. Mr. Wu worked for China Building Materials Academy (中國建築材料科學研究總院) from August 1983 to May 1992. He has been a director of Yonyou since 1992, and currently serves as the chief financial officer of Yonyou. Mr. Wu has also been a director of Yonyou Fintech since July 2012 and a director of Yonyou Auto Technology since June 2015. Mr. Wu was a member of the 6th and 7th sessions of the Chinese People's Political Consultative Conference of Haidian District, Beijing from January 1999 to December 2006. Mr. Wu graduated from China Europe International Business School with a master's degree in business administration in September 2007.

Biographies of Directors, Supervisors and Senior Management (continued)

Executive Director

Mr. Yang Yuchun (楊雨春), aged 52, has been the President since 9 January 2017 and an executive Director since 18 May 2017. He is mainly responsible for the overall management of business operation of the Group. Mr. Yang has over 25 years of working experience in the PRC software industry. Mr. Yang joined Yonyou in August 1997, where he has served different positions at the financial accounting software development department, product management headquarter and small-scale management software department. Mr. Yang was the vice president of the Company and the general manager of the Company's research and development center from March 2010 to August 2012. From August 2012 to December 2013, Mr. Yang was the senior vice president of the Company, while he continued to serve as the general manager for the research and development center during the period, served as the executive director and manager of Chanjet Yunhui since April 2019, served as the director and CEO of Chanjet U.S. since March 2020, and served as the executive director and manager of Chanjet Yunzhi since June 2024. Mr. Yang served as both the assistant president of Yonyou as well as the general manager of Yonyou's business planning and development department from January 2014 to January 2016. From January 2016 to January 2017, he served as the vice president of Yonyou and continued to serve as the general manager of Yonyou's business planning and development department. Mr. Yang graduated from Shi Jia Zhuang University of Economics in July 1996 and obtained his bachelor's degree in economics. He graduated from Peking University in July 2003 and obtained a bachelor's degree in management. Later, he obtained his EMBA from Guanghua School of Management at Peking University in July 2012.

Independent Non-executive Directors

Mr. Lau, Chun Fai Douglas (劉俊輝), aged 52, has been an independent non-executive Director since 8 September 2011. He is primarily responsible for providing independent opinion and judgment to the Board, particularly with regard to the financial aspects of the Group. Mr. Lau joined Ernst & Young in March 1993 and served as an audit partner of Ernst & Young from July 2004 to June 2009. He then served as the regional director of Greater China of The Institute of Chartered Accountants in England and Wales from November 2010 to September 2012. Mr. Lau served as an independent non-executive director of Ausnutria Dairy Corporation Ltd, a company listed on the Hong Kong Stock Exchange (Stock Code: 1717), from January 2015 to April 2022 and he has been an independent non-executive director of GME Group Holdings Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 8188), since February 2017. Mr. Lau graduated from the University of New South Wales in Sydney, Australia with a bachelor degree of Commerce in accounting and finance in October 1993. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in England and Wales, a member of the Australian Society of Certified Practising Accountants and a member of the Institute of Chartered Accountants in Australia.

Biographies of Directors, Supervisors and Senior Management (continued)

Ms. Wu Xiaoqing (吳小慶), aged 71, has been an independent non-executive Director since 26 July 2022 and is primarily responsible for providing independent opinion and judgment to the Board. She has long been engaged in the field of financial and accounting management and has extensive experience in financial management and accounting for large central enterprises and is familiar with accounting standards and relevant laws and regulations on corporate tax. Ms. Wu successively worked in the finance division of the Government Offices Administration of the State Council and the finance department of Sinosteel Raw Materials Corporation* (中國鋼鐵爐料總公司) from September 1982 to January 1995. From January 1995 to December 1999, Ms. Wu successively served as the deputy head and the head of the finance department of China Sinosteel Group Corporation (中國中鋼集團公司) ("**Sinosteel**"). Ms. Wu served as the deputy chief accountant of Sinosteel and a director of Sinosteel Assets Management Co., Ltd.* (中鋼資產管理有限責任公司) ("**Sinosteel Assets Management**") from December 1999 to September 2005, and served as the deputy chief accountant of Sinosteel and the chairman of the board of directors of Sinosteel Assets Management from September 2005 to October 2008. After her retirement in October 2008, Ms. Wu served as an independent non-executive director of China CITIC Bank Corporation Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange with stock code 00998 and 601998) from October 2012 to September 2018 and has been an independent non-executive director of PICC Health Insurance Company Limited (中國人民健康保險股份有限公司) since March 2022. Ms. Wu is also a director of CICC Charity Foundation (北京中金公益基金會), a supervisor of China Arts Foundation (北京中藝藝術基金會) and a director of Dandelion School (北京市大興區蒲公英中學) (a non-profit organization). Ms. Wu is a non-practicing Chinese certified public accountant and a senior accountant. She graduated from the Faculty of Finance of Renmin University of China in July 1982 with a bachelor's degree in economics majoring in finance and accounting.

Mr. Cui Qiang (崔強), aged 45, has been an independent non-executive Director since 8 September 2023. He is primarily responsible for providing independent opinion and judgement to the Board. Mr. Cui has more than 20 years of experience in the field of enterprise services (To B). He is an expert in the SaaS industry and a seasoned media professional. From October 2008 to October 2010, Mr. Cui served as the chief editor of the CIO (chief information officer) channel and the management software channel of ZDNet (至頂網), an enterprise-level professional IT portal website, and founded the CIO video interview program "Xiao Cui Story (《小崔説事》)" (subsequently renamed as "Xiao Cui Teatime (《小崔下午茶》)"). From November 2010 to July 2012, he served as the community operation director of "IT Manager World《(IT經理世界》)" magazine e-network community, helping "IT Manager World" magazine to start its transformation to the internet. In August 2012, he founded Huohua Community (火花社區) (namely Huohua Net, a CIO real name question and answer community), and operated it until April 2014. Huohua Community had been an active CIO question and answer community in China. In November 2014, Mr. Cui founded Cuiniuhui, a vertical enterprise services (To B) community, and has been the executive director and CEO of Beijing Sparks Technology Co., Ltd., being the operating entity of Cuiniuhui.

Biographies of Directors, Supervisors and Senior Management (continued)

SUPERVISORS

Mr. Guo Xinping (郭新平), aged 61, has been the Chairman of the Supervisory Committee and a shareholder representative Supervisor since 8 September 2011. Mr. Guo worked for MOF from August 1985 to July 1989, and has been a director of Yonyou from November 1999, the Chairman of the Supervisory Committee of Yonyou Auto Technology since June 2015, and a director of Yonyou Fintech since May 2016. Mr. Guo served as an independent non-executive director of CCID Consulting Company Limited (賽迪顧問股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 2176) from May 2002 to January 2022. He served as an independent director of Glodon Company Limited (廣聯達科技股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002410) from April 2017 to April 2023. Mr. Guo graduated from The Hong Kong University of Science and Technology with a master's degree in business administration in November 2007. He is a senior accountant recognized by the Personnel Department of Hubei Province in January 1998.

Mr. Li Weimin (李偉民), aged 50, has been a member of the Supervisory Committee since 29 November 2024. Mr. Li is a shareholder representative Supervisor. Mr. Li joined Yonyou in November 2003, and served as the manager of the corporate management department and an assistant president. Mr. Li served as the vice president of Yonyou Yunda Information Technology Services (Nanchang) Co., Ltd. (用友雲達信息技術服務(南昌)有限公司) from October 2012 to April 2014 and the vice general manager of Yonyou Fintech from April 2014 to January 2018. Mr. Li has been the vice president of Yonyou since January 2018, and served as the chairman of the supervisory committee of Yonyou since 31 October 2024. Mr. Li served as a shareholder representative Supervisor of the Company from September 2011 to April 2013. Mr. Li has also served as a director and supervisor in various subsidiaries of Yonyou, including a director of Seentao Technology from July 2021 to July 2024, the chairman of the supervisory committee of Seentao Technology since August 2024, and the chairman of the supervisory committee of Yonyou Fintech since November 2024. Mr. Li also served as a supervisor of Beijing Seeyon Hulian Software Co., Ltd. (北京致遠互聯軟件股份有限公司) (a company listed on the Shanghai Stock Exchange (Stock Code: 688369)) from December 2019 to May 2024. Mr. Li graduated from Huazhong Polytechniques University (華中理工大學) (currently known as Huazhong University of Science and Technology (華中科技大學)) with a bachelor's degree in engineering in July 1997, and graduated from Peking University with a master's degree in business administration in June 2004.

Mr. Ruan Guangli (阮光立), aged 77, has been a member of the Supervisory Committee and an independent Supervisor since 27 April 2014. Mr. Ruan served as the head of production and finance department and deputy head of finance bureau of China National Nuclear Company (中國核工業總公司) (later reorganized as China National Nuclear Corporation (中國核工業集團公司)) from April 1988 to July 1999 as well as the director of finance and audit department and then finance and accounting department at China National Nuclear Corporation from July 1999 to March 2008. Mr. Ruan retired in March 2008 and was rehired as an executive commissioner of science and technology committee at China National Nuclear Corporation from 2008 to 2015. Mr. Ruan has also served as a supervisor of Seentao Technology from June 2015 to August 2024. Mr. Ruan graduated from Fudan University majoring in industry economics in July 1976. He is a senior accountant recognized by the human resources bureau of China National Nuclear Company in December 1994. Mr. Ruan also received the special government allowance from the State Council in 2007.

Biographies of Directors, Supervisors and Senior Management (continued)

Mr. Ma Yongyi (馬永義), aged 60, has been a member of the Supervisory Committee and an independent Supervisor since 27 April 2014. Mr. Ma has been working successively as the director of the distance education centre, the director of the academic department and the director of teacher management committee of Beijing National Accounting Institute (北京國家會計學院) since February 2004. He served as an independent director of Beijing Spaceflight Hongtu Information Technology Co., LTD (北京航天宏圖信息技術股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 688066) from May 2017 to May 2023, an external supervisor of China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 1606) since February 2018 and an independent non-executive director of Ever Sunshine Services Group Limited (永升服務集團有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 1995) since November 2018, and an independent director of Glodon Company Limited (廣聯達科技股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002410) since April 2020. Mr. Ma has been granted recognition of professor by the MOF since October 2009, and has been appointed as a second-grade professor by Beijing National Accounting Institute (北京國家會計學院) since July 2023. He has also been a director of the Accounting Society of China (中國會計學會) since March 2014. Mr. Ma obtained a PhD degree in management from Central University of Finance and Economics (中央財經大學) in July 2003.

Ms. Ren Jie (任潔), aged 46, has been a member of the Supervisory Committee and an employee representative Supervisor since 20 April 2018. Ms. Ren joined the Group in May 2013 and has been engaged in the human resources related work. She served as the recruitment manager and the human resources business partner (HRBP) of the human resources department of the Company from May 2013 to December 2015 and from January 2016 to December 2017, respectively, and has served at the human resource department of the Company since January 2018. Prior to joining the Group, Ms. Ren served as a mental health teacher at Hebei Shacheng Middle School (河北沙城中學) from July 2004 to June 2005, the chief of human resources at Yangguang Xinling Education Technology Co., Ltd. (陽光心靈教育科技有限公司) from July 2005 to June 2008, a human resources manager at Talenty International Education (蓋倫國際教育) from July 2008 to March 2011 and a project manager and headhunter consultant at Beijing Wen Hui Yong Ye Management Consultancy Co., Ltd. (北京文輝永業管理諮詢有限公司) from April 2011 to May 2013. Ms. Ren Jie obtained her bachelor's degree in science from Harbin Normal University (哈爾濱師範大學) in July 2004.

Biographies of Directors, Supervisors and Senior Management (continued)

Ms. Xia Yuhan (夏玉晗), aged 45, has been a member of the Supervisory Committee and an employee representative Supervisor since 8 September 2020. Ms. Xia joined the Group in December 2011 and has been engaged in human resources related work. She served as an officer of the human resources department from December 2011 to December 2013, the training and corporate culture manager of the human resources department from January 2014 to February 2017, the human resources general manager of the human resources administration department from December 2018 to December 2019, the human resources business partner (HRBP) of the human resources administration department from December 2019 to December 2021, and has been serving as the manager of the human resources department since January 2022 to present. Ms. Xia graduated from Beihang University (北京航空航天大學) in September 2017 and obtained a bachelor's degree in management.

SENIOR MANAGEMENT

Mr. Yang Yuchun (楊雨春), for details of Mr. Yang, please refer to the biographies set out in the "Executive Director" of this section.

Ms. Gao Jin (高瑾), aged 52, has been a senior vice president and the chief financial officer of the Company since 28 May 2018. She is primarily responsible for the overall planning, budgetary and financial affairs of the Group. Ms. Gao worked as a senior auditor at Ernst & Young Hua Ming from August 1997 to September 2002. Ms. Gao joined Yonyou as the financial manager of the North China Division in October 2002; she served as the chief financial officer of Beijing Yonyou Government Affairs Software Limited (北京用友政務軟件有限公司) (currently known as Beijing Yonyou Government Affairs Software Co., Ltd., hereinafter referred to as "**Yonyou Government Affairs**") from August 2004 to May 2007; she served as the chief financial officer of Beijing Wecoo E-Commerce Limited (北京偉庫電子商務科技有限公司) from June 2007 to December 2011; she served as the deputy general manager of the financial department of Yonyou from January 2012 to June 2012; she served as a senior vice president and the chief financial officer of Yonyou Government Affairs from July 2012 to April 2018. Ms. Gao graduated from Beijing Institute of Business (currently known as Beijing Technology and Business University) with a bachelor's degree in economics in June 1997.

Biographies of Directors, Supervisors and Senior Management (continued)

Ms. Zhang Hong (張紅), aged 49, has been a senior vice president of the Company since 23 March 2018. She is primarily responsible for overall product planning of the Company. Ms. Zhang served as an engineer of the information department of Beijing Urban-Rural Trade Centre (北京城鄉貿易中心) from September 1996 to August 1998, and the product director of Beijing Sinovatech Network Technology Co., Ltd. (北京炎黃新星網絡科技有限公司) from December 1999 to February 2003, the product director of the northern region of Zhuhai Wanjiada Technology Co., Ltd. (珠海萬佳達科技有限公司) from February 2003 to September 2005. Ms. Zhang joined Yonyou in October 2005 and served as the product manager of the product management department under the small management software division of Yonyou from October 2005 to December 2007, and then as the department manager of the product management department under the small management software division of Yonyou from January 2008 to December 2009. Ms. Zhang joined the Group on 19 March 2010 and has been the product director of the Company since March 2010. She served as the vice president of the Company from 2 February 2015 to 23 March 2018. Ms. Zhang Hong graduated from China Europe International Business School with a master's degree in business administration in July 2017.

Mr. Liu Zhidong (劉志東), aged 46, has been a senior vice president of the Company since 27 March 2020. At present, he is primarily responsible for the sales and management department of the Company. Mr. Liu joined Changsha Yonyou Software Development Co., Ltd. (長沙用友軟件開發有限公司) as the manager of the management department of its subsidiary and branch in September 2002, and served as the manager of the channel marketing department of Yonyou Hunan Branch from March 2004 to January 2005. He was transferred to the small management software division of Yonyou in January 2005 and held various positions successively. Mr. Liu served as the general manager of the Company's Hunan representative office from March 2010 to January 2012, the general manager of the Company's Central China Division from January 2012 to January 2015, the assistant president of the Company and the general manager of the Central China Division from January 2015 to January 2016, the assistant president of the Company and the general manager of the West China Division from January 2016 to January 2017, and the vice president of the Company from March 2017 to March 2020. Mr. Liu graduated from business administration department of Hunan University of Commerce (now known as Hunan University of Technology and Business) with a bachelor's degree in management in June 2001.

Biographies of Directors, Supervisors and Senior Management (continued)

Ms. Xiong Xiaoxiao (熊瀟瀟), aged 43, has been a senior vice president of the Company since 18 March 2022. She is primarily responsible for the work of the user growth centre, the customer success centre and overseas business development of the Company. Ms. Xiong worked at the department of training of Beijing Huicong Network Technology Co., Ltd. (北京慧聰網絡技術有限公司) from July 2004 to July 2005. Ms. Xiong joined Yonyou in August 2005, and successively served as the department manager of the small business unit service department, the department manager of the department of service and development and the department manager of the department of customer management. Ms. Xiong joined the Company in April 2010 and successively served as the department manager of the department of service and development, the department manager of the department of service management, the department manager of service support headquarters administration department and the department manager of the department of customer support and served as the assistant president from January 2017 to March 2019 and a vice president of the Company from March 2019 to March 2022, primarily responsible for the user service centre and the user operations centre of the Company. Ms. Xiong graduated from Beijing Forestry University in July 2004 with a bachelor's degree of management, graduated from Beijing Normal University in June 2016 with a master's degree of business administration, and graduated from China Europe International Business School in November 2023 with a master's degree in business administration.

Mr. Wang Yunbo (王雲波), aged 46, has been a senior vice president of the Company since 28 March 2024. He is mainly responsible for research and development centre of the Company. He joined Yonyou in July 2001, and worked successively in various departments such as NC product department (NC產品本部), NC industry development department (NC行業開發部), U8 cloud business department (U8 cloud事業部) and YonSuite business department (YonSuite事業部). He joined the Company in March 2020, served as an assistant general manager of research and development centre, a general manager of research and development centre since June 2020 and a vice president of the Company from June 2020 to March 2024. Mr. Wang Yunbo graduated from Northeastern University in July 2001 with a bachelor's degree in management.

Mr. Xiao Mingxiao (肖明曉), aged 45, has been a senior vice president of the Company since 27 March 2025, mainly responsible for the channel operation centre. Mr. Xiao joined Yonyou in July 2001, and successively served as the U8 Consulting Implementation Project Manager of the Jinan Branch of Yonyou, Senior Support Manager and Senior Channel Manager of Yonyou Small Management Software Division. Mr. Xiao joined the Company in April 2010, and served as the department manager of Qingdao Office, Jinan Office and Shandong Representative Office from February 2011 to December 2015, respectively, the manager of the management department of the Central China Division from January to December 2016, the assistant president and the general manager of the management department of the Central China Division from January to December 2017 and the general manager of the management department of East China Division from January 2018 to December 2020. Mr. Xiao served as the vice president of the Company from March 2020 to March 2025, and was responsible for channel business development from January to December 2021. Mr. Xiao served as the general manager of the management department of the North China Division from January 2022 to December 2023. He has been the general manager of the channel operation centre since January 2024. Mr. Xiao graduated from Shandong University of Finance and Economics with a bachelor's degree in management in September 2007.

Biographies of Directors, Supervisors and Senior Management (continued)

Mr. Wang Xuejun (王學軍), aged 49, has been a vice president of the Company since 23 March 2018. At present, he is primarily responsible for the digital intelligent business unit of the Company. Mr. Wang joined Yonyou as the implementation director of the Central and Southern China Division of Yonyou U8 in June 2005 and joined the small management software department of Yonyou as the support director in January 2008. He held various positions in the Company, including the general manager of the small-sized enterprise division and the general manager of T+ business of the Company from March 2010 to December 2015, the director of strategic cooperation of the Company from January 2016 to June 2017, the general manager of the Cloud Operation Centre of the Company from July 2017 to December 2017, the general manager of the cloud-based financial operation centre of the Company from January 2018 to December 2018, he was successively responsible for ecological cooperation and operation, Good Business (好生意) development, channels capacity development and T+ business unit from January 2019 to December 2022, and he has served as the general manager of the digital intelligent business unit since January 2023. Mr. Wang obtained a master's degree in management from the Australian National University.

Mr. Liu Shuwei (劉書偉), aged 45, has been a vice president of the Company since 27 March 2020. At present, he is mainly responsible for the digital intelligent finance and taxation business unit of the Company. Mr. Liu worked at the Baoji Yiyou Software Co., Ltd. (寶雞市益友軟件有限責任公司) from March 2001 to December 2005. Mr. Liu joined Yonyou in January 2006, and successively served as the first line employee of the small business unit in Northwest District and the first line department manager of the small business unit in Shaanxi-Ningxia Office. Mr. Liu joined the Company in April 2010 and served as the department manager of Shaanxi-Ningxia Office from April 2010 to December 2013, the department manager of the department of Sales and Management from January 2014 to December 2014, the department manager of the department of Organization and Sales and Management from January to December 2015, the general manager for the management department of Beijing-Tianjin-Hebei Division from January to December 2016, the assistant president and the general manager of the management department of the North China Division from January 2017 to December 2018, the general manager of the management department of the Southwest China Division from January to December 2019, and the general manager of the management department of the West China Division from January to December 2020 and was responsible for T+ business unit from January to December 2021. He served as the general manager of the management department of the West China Division from January to December 2022. He has been the general manager of the digital intelligent finance and taxation business unit since January 2023. Mr. Liu graduated from Xi'an University of Technology with a college degree in financial accounting and computerization in July 2002.

Ms. Bao Jie (鮑潔), aged 45, has been the secretary to the Board and the joint company secretary of the Company since 14 September 2021. She is primarily responsible for organizing Board meetings and Shareholders' meetings, investor relations, information disclosure and general compliance work. Ms. Bao joined the Company since August 2014 as the manager of the securities department. Prior to joining the Company, Ms. Bao worked in China National Materials Group Corporation (中國中材集團有限公司) from July 2002 to August 2007, and served as the deputy director of the office of the board of directors of China National Materials Company Limited (中國中材股份有限公司) from August 2007 to August 2014. Ms. Bao graduated from Renmin University of China in July 2002 with a bachelor's degree in history.

Biographies of Directors, Supervisors and Senior Management (continued)

Mr. Jiang Peng (江鵬), aged 43, has been a vice president of the Company since 18 March 2022. He is mainly responsible for human resources system construction, corporate governance and administrative work of the Company. Mr. Jiang joined Yonyou in October 2009 and successively served as sales manager of Yonyou Beijing Branch, secretary of chairman and senior human resources manager of human resources department of Yonyou. Mr. Jiang joined the Company in January 2018 and has served as human resources administrative director since then and an assistant president from January 2019 to March 2022. Mr. Jiang has studied electronic information engineering at University of Science and Technology Beijing and business management at the Robert Gordon University.

Mr. Fan Peng (樊鵬), aged 44, has been a vice president of the Company since 23 March 2023. He is mainly responsible for the ecological operation centre of the Company. Mr. Fan joined Yonyou in September 2004 and has served as the channel support manager of Yonyou Shaanxi Branch, the chief business representative of the Shaanxi, Gansu, Ningxia and Qinghai channel of the small business unit, the department manager of the Northwest Office and department manager of the Shanghai Office. Mr. Fan joined the Company in April 2010 and successively served as the department manager of the Shanghai Office, Jiangsu Great Region and Shaanxi-Ningxia Business Representative Office from April 2010 to December 2015, the department manager of strategic development department from January 2018 to December 2019, and the assistant president from January 2020 to March 2023. Mr. Fan also successively served as the department manager of corporate payment business department, the department manager of industry development department I, the senior business development manager and project delivery department manager of Chanjet Payment from January 2016 to December 2017. Mr. Fan graduated from Jiangxi Normal University in June 2021 with a bachelor's degree in administration and management.

Ms. Li Xiao (李曉), aged 42, has been a vice president of the Company since 23 March 2023. She is primarily responsible for the strategic partner operation department, intelligent finance and taxation business department and marketing headquarters of the Company. Ms. Li joined the Company in January 2016 and has served as the assistant president until March 2023. Prior to joining the Company, Ms. Li worked at the Hebei Communications Administration (河北省通信管理局) from July 2002 to December 2004, and served as the marketing manager of Beijing CCTV Information Technology Co., Ltd. (北京央視資訊科技有限公司) from July 2005 to October 2011. From November 2011 to October 2012, she was the public relations manager of ChinaCache Network Technology (Beijing) Co., Ltd. (藍汛網絡科技(北京)有限公司). From November 2012 to June 2014, she was the director of marketing department of Beijing Kingsoft Cloud Network Technology Co., Ltd. (北京金山雲網絡技術有限公司), and from June 2014 to April 2015, she was the director of marketing department of Beijing Wisdom Media Holding Co., Ltd. (北京智美傳媒股份有限公司). Ms. Li graduated from Hebei University of Science and Technology in June 2002 with a bachelor's degree in computer management.

Biographies of Directors, Supervisors and Senior Management (continued)

JOINT COMPANY SECRETARIES

Ms. Bao Jie (鮑潔) was appointed as a joint company secretary of the Company on 14 September 2021. For Ms. Bao Jie's biographical details, please refer to the biographies set out in the "SENIOR MANAGEMENT" of this section.

Dr. Ngai Wai Fung (魏偉峰), aged 63, was appointed as a joint company secretary of the Company on 15 November 2011. Dr. Ngai currently is a director and the chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited. Dr. Ngai has over 30 years of professional practice and senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and company secretarial work for listed issuers including major red chip companies. Dr. Ngai is a fellow of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries), a fellow of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), a member of The Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants in the United Kingdom and a member of The Chartered Institute of Arbitrators. Dr. Ngai holds a master's degree in business administration from Andrews University of the United States, a bachelor's degree (Honours) in Law from the University of Wolverhampton, the United Kingdom, a master's degree in corporate finance from the Hong Kong Polytechnic University and a doctorate degree of economics (majoring in finance) from the Shanghai University of Finance and Economics.

Report of Directors

The Board hereby presents the annual report for the year ended 31 December 2024, together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL BUSINESS

The principal business of the Group is to provide platform services, application services and value-added data-based services for MSEs in the PRC, with a focus on financial and business management cloud services. Details of businesses of the major subsidiaries of the Company are set out in note 1 to the financial statements.

RESULTS

The results of the Group for the year ended 31 December 2024 and the financial information of the Group as at 31 December 2024 are set out in the audited consolidated financial statements of this report.

BUSINESS REVIEW

Business review during the Reporting Period and discussion on the future business development of the Group are set out in the Chairman's Statement and the Management Discussion and Analysis of this annual report. Description of principal risks and uncertainties that the Group may be confronted with and the policy responses and potential opportunities of the Group are set out in the section headed "Major Risks and Uncertainties" of the Management Discussion and Analysis and in section headed "PROSPECT" of the Chairman's Statement, while financial risk management objectives and policies of our Group are set out in the note 37 to the financial statements. The significant events of the Group after the Reporting Period and performance analysis of the Group within the year based on key financial performance indicators are set out in the Management Discussion and Analysis. Policy and performance in relation to environmental protection of the Group are contained in this Report of Directors and the 2024 Environmental, Social and Governance Report of the Company. Information related to investor relationship are set out in the Corporate Governance Report, and compliance with relevant laws and regulations that have a significant impact on the Company are set out in this Report of Directors. Explanation on the relationship between the Group and its employees, customers, suppliers and those who have a significant impact on the Company are set out in the sections headed "EMPLOYEE AND ORGANIZATION GUARANTEE", "REMUNERATION POLICY", "PENSION SCHEME", "EMPLOYEE SHARE OWNERSHIP SCHEME", "LONG-TERM INCENTIVE BONUS SCHEME" and "MAJOR CLIENTS AND SUPPLIERS" of this Report of Directors as well as the 2024 Environmental, Social and Governance Report of the Company.

SHARE CAPITAL, ISSUE OF NEW SHARES AND DEBENTURES

The share capital structure of the Company as at 31 December 2024 is as follows:

Class of Shares	Number of Shares	Approximate percentage of the total issued share capital
Domestic Shares	243,272,499	74.68%
H Shares	82,500,000	25.32%
Total	325,772,499	100%

On 17 December 2024, the Board considered and approved the implementation of the H Shares Full Circulation by the Company, pursuant to which the Company submitted an application to the China Securities Regulatory Commission (the "**CSRC**") in respect of the conversion of 53,401,211 domestic unlisted shares held by certain shareholders of the Company (representing 16.39% of the total issued shares of the Company as at 17 December 2024) into H Shares. As of 31 December 2024, the details of the implementation plan of the Conversion and Listing have not been finalized, and the final number of Domestic Shares to be converted as well as the completion of the Conversion and Listing are subject to the performance of relevant procedures as required by the CSRC, the Hong Kong Stock Exchange and other relevant domestic and overseas regulatory authorities. Further details of the proposed implementation of the H Shares Full Circulation Scheme are set out in the announcement of the Company dated 17 December 2024.

The Company did not issue any new shares or debentures for the year ended 31 December 2024.

Report of Directors (continued)

DIVIDEND POLICY AND DIVIDENDS

Reference is made to the announcement of the Company dated 15 March 2019, in relation to the adoption of dividend policy as approved by the Board on 15 March 2019. The payment of the dividend by the Company shall be subject to the Company Law, the Listing Rules, the Articles of Association and any restrictions under any other applicable laws, rules and regulations. The Company shall seek opinions of the Shareholders of the Company, in particular, the minority Shareholders, and independent non-executive Directors as sufficiently as possible, prioritize a reasonable return to the investors while giving full consideration to the sustainable development of the Company. In deciding whether to propose a dividend and in determining the dividend amount, the Company shall mainly take into account, inter alia:

(1) the Group's operating conditions and market environment;

(2) the Group's general financial position;

(3) the actual and future operating and liquidity capital of the Group;

(4) after-tax profit and the distributable profits of the Company and the Group;

(5) the Group's development plans and expected working capital requirements;

(6) the expectations of the Shareholders and investors of the Company and the industry practices;

(7) the continuity and stability of the dividend distribution policy; and

(8) any other factors that the Board of the Company deems appropriate.

The Board did not recommend the distribution of any final dividend for the year ended 31 December 2024 (2023: Nil).

During the Reporting Period, there is no arrangement made by any Shareholder on waiving or agreeing to waive any dividend.

TAXATION

As stipulated by the Notice on Issues relating to Enterprise Income Tax Withholding over Dividends Distributable to Their H-share Shareholders who are Overseas Non-resident Enterprises by Chinese Resident Enterprises (Guoshuihan [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) published by the State Administration of Taxation, when Chinese resident enterprises distribute annual dividends for the year 2008 and years thereafter to their H-share shareholders who are overseas non-resident enterprises, enterprise income tax shall be withheld at a uniform rate of 10%. According to this, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to overseas non-resident enterprise shareholders as appeared on the H Share register of members of the Company. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise shareholders and therefore their dividends receivables will be subject to the withholding of the corporate income tax.

Pursuant to the applicable provisions of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation regulations and provisions relating to the Announcement of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residential Taxpayers under Tax Treaties (Announcement issued by State Administration of Taxation 2019 No. 35) (《國家稅務總局關於發佈<非居民納稅人享受協定待遇管理辦法>的公告》(國家稅務總局公告2019年第35號)) ("**Notice of Tax Treaty**"), the Company will implement the following arrangements in relation to the withholding of individual income tax for the individual holders of H Shares:

For individual holders of H Shares who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold individual income tax at the rate of 10% on behalf of the individual holders of H Shares in the distribution of final dividend;

For individual holders of H Shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the relevant shareholders shall file, report according to the provisions of the Notice of Tax Treaty and enjoy treaty benefits as well as retain the relevant materials for future reference. If the information submitted is complete, the Company will withhold and pay individual income tax in accordance with the provisions of PRC tax laws and the Notice of Tax Treaty. If the relevant individual holders of H Shares do not submit the information or the information submitted is not complete, the Company will withhold and pay individual income tax for individual holders of H Shares at a tax rate of 10%;

For individual holders of H Shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of over 10% but less than 20%, the Company shall withhold individual income tax at the agreed actual rate in accordance with the relevant tax treaty on behalf of such individual holders of H Shares in the distribution of final dividend; and

For individual holders of H Shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or which has not entered into any tax agreement with China, or otherwise, the Company shall withhold the individual income tax at a rate of 20% on behalf of such individual holders of H Shares in the distribution of final dividend.

The Company will implement the above-mentioned arrangements in relation to the withholding of income tax for the shareholders of H Shares, subject to arrangements as otherwise required by tax authorities.

PUBLIC FLOAT

As at the Latest Practicable Date, based on the available public information of the Company, so far as the Directors are aware of, the Company has met the requirements of public float under the Rule 8.08 of the Listing Rules.

DIRECTORS AND SUPERVISORS

The table below sets out certain information of Directors and Supervisors during the Reporting Period and as at the date of this report:

Name	Position
Wang Wenjing (王文京)	Chairman, non-executive Director
Wu Zhengping (吳政平)	Non-executive Director
Yang Yuchun (楊雨春)	Executive Director, President
Lau, Chun Fai Douglas (劉俊輝)	Independent non-executive Director
Wu Xiaoqing (吳小慶)	Independent non-executive Director
Cui Qiang (崔強)	Independent non-executive Director
Guo Xinping (郭新平)	Chairman of the Supervisory Committee, Shareholder representative Supervisor
Li Weimin (李偉民)*Note*	Shareholder representative Supervisor
Ruan Guangli (阮光立)	Independent Supervisor
Ma Yongyi (馬永義)	Independent Supervisor
Ren Jie (任潔)	Employee representative Supervisor
Xia Yuhan (夏玉晗)	Employee representative Supervisor

The personal information of Directors and Supervisors is set out in the section headed "Biographies of Directors, Supervisors and Senior Management".

Note: Mr. Zhang Peilin tendered his resignation from the position as a shareholder representative Supervisor due to him reaching mandatory age for retirement with effect from 1 November 2024. The appointment of Mr. Li Weimin as a shareholder representative Supervisor was approved at the extraordinary general meeting of the Company on 29 November 2024. For details, please refer to the announcements of the Company dated 31 October 2024 and 29 November 2024 as well as the notice of the Company dated 11 November 2024, respectively.

DISCLOSURE OF INTERESTS

Interests and short positions of Directors, Supervisors and the chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at 31 December 2024, the interests or short positions of the Directors, the Supervisors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code to be notified to the Company and the Hong Kong Stock Exchange are as follows:

Name of Directors/ Supervisors	Nature of interest	Relevant corporation (including associated corporation)	Number and class of shares of the relevant corporation (including associated corporation) held[1]	Approximate percentage of shareholdings in the total share capital of the Company/ relevant corporation (including associated corporation)[2]	Approximate percentage of shareholdings in the relevant class of share capital of the Company[3]
Directors					
Mr. Wang Wenjing	Interest in a controlled corporation[4]	The Company	222,210,241 Domestic Shares (L)	68.21%	91.34%
	Interest in a controlled corporation[4]	Yonyou[5]	1,421,079,511 shares (L)	41.59%	N/A
	Interest in a controlled corporation	Happiness Investment[6]	N/A[6]	60%[6]	N/A
	Interest in a controlled corporation	Yonyou Up[7]	N/A[7]	100%[7]	N/A
	Interest in a controlled corporation	Yonyou Research Institute[8]	N/A[8]	79.64%[8]	N/A
Mr. Wu Zhengping[9]	Beneficial owner	Yonyou[5]	1,867,450 shares (L)	0.05%	N/A
	Interest in a controlled corporation	Yonyou[5]	80,361,271 shares (L)	2.35%	N/A
	Beneficial owner	Happiness Investment[6]	N/A[6]	15%[6]	N/A
Supervisors					
Mr. Guo Xinping[10]	Interest in a controlled corporation	Yonyou[5]	128,080,000 shares (L)	3.75%	N/A
Mr. Li Weimin	Beneficial owner	Seentao Technology	70,000 shares (L)	0.03%	N/A

Notes:

(1) (L) – long position.

(2) The calculation was based on the total number of 325,772,499 Shares of the Company in issue as at 31 December 2024.

(3) The calculation was based on the total number of 243,272,499 Domestic Shares of the Company in issue as at 31 December 2024.

(4) Mr. Wang Wenjing is the beneficial owner of 100%, 85.15% and 79.64% of the equity interest of Beijing Yonyou Technology Co., Ltd. (北京用友科技有限公司) ("**Yonyou Technology**"), Shanghai Yonyou Consultant Co., Ltd. (上海用友科技諮詢有限公司) and Yonyou Research Institute, respectively, which in turn held 921,161,630 shares (including 6,195,787 shares that Yonyou Technology has agreed to donate to Jiangxi University of Finance and Economics Education Development Foundation (江西財經大學教育發展基金), the transfer procedures of which will commence after 12 November 2026 and the completion date will be the day on which the transfer procedures are completed), 392,069,275 shares and 107,848,606 shares of Yonyou, respectively, accounting for approximately 26.96%, 11.47% and 3.16% of the issued shares of Yonyou, respectively, as at 31 December 2024. Therefore, Mr. Wang Wenjing is deemed to be interested in the shares held by Yonyou.

(5) Yonyou is the holding company of the Company and therefore an associated corporation of the Company. As at 31 December 2024, Yonyou directly and indirectly held 216,458,791 Domestic Shares of the Company, which accounted for approximately 66.44% of the total share capital of the Company.

(6) Happiness Investment is a limited liability company incorporated in the PRC with a registered capital of RMB10.00 million and does not have any issued shares under the PRC laws. As the shareholding percentage of Yonyou in Happiness Investment is 60%, Happiness Investment is deemed as a controlled corporation of Mr. Wang Wenjing. In addition, the shareholding percentage of Mr. Wu Zhengping in Happiness Investment is 15%. As at 31 December 2024, Happiness Investment held 1,006,176 Domestic Shares of the Company, representing approximately 0.31% of the total share capital of the Company.

(7) Yonyou Up is a limited liability company incorporated in the PRC with a registered capital of RMB200.00 million and does not have any issued shares under the PRC laws. Yonyou Up is a wholly-owned subsidiary of Yonyou, and Yonyou holds 100% interests of Yonyou Up. Therefore, Yonyou Up is deemed as a controlled corporation of Mr. Wang Wenjing. As at 31 December 2024, Yonyou Up held 13,972,978 Domestic Shares of the Company, representing approximately 4.29% of the total share capital of the Company.

(8) Yonyou Research Institute is a limited liability company incorporated in the PRC with a registered capital of RMB23.94 million and does not have any issued shares under the PRC laws. Mr. Wang Wenjing holds 79.64% interests of Yonyou Research Institute. Therefore, Yonyou Research Institute is deemed as a controlled corporation of Mr. Wang Wenjing. As at 31 December 2024, Yonyou Research Institute held 5,751,450 Domestic Shares of the Company, representing approximately 1.77% of the total share capital of the Company.

(9) As at 31 December 2024, Mr. Wu Zhengping directly held approximately 0.05% of the issued shares of Yonyou, and Gongqingcheng Youfu Investment Management Partnership Enterprise (LLP) (共青城優富投資管理合夥企業(有限合夥)) ("**Gongqingcheng Youfu**") held approximately 2.35% of the issued shares of Yonyou. Mr. Wu Zhengping is the beneficial owner of 80% equity interest of Gongqingcheng Youfu. Therefore, Mr. Wu Zhengping is deemed to be interested in the shares of Yonyou held by Gongqingcheng Youfu.

(10) As at 31 December 2024, Shanghai Yibei Management Consulting Co., Ltd. (上海益倍管理諮詢有限公司) ("**Shanghai Yibei**") held approximately 3.75% of the issued shares of Yonyou. Mr. Guo Xinping is the beneficial owner of 90% equity interest of Shanghai Yibei. Therefore, Mr. Guo Xinping is deemed to be interested in the shares of Yonyou held by Shanghai Yibei.

Directors' and Supervisors' rights in the subscription of Shares or debentures

During the Reporting Period, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to the unlocking of the third tranche of incentive shares granted under the Employee Share Ownership Scheme on 30 December 2024, pursuant to which, 80% of the 30% of the total number of incentive shares, being Domestic Shares held by Mr. Yang Yuchun, a Director, have been unlocked in accordance with the provisions as stipulated in the Employee Share Ownership Scheme. As at 31 December 2024, Mr. Yang Yuchun, a Director, held 2,013,080 unlocked Domestic Shares through the Shareholding Platform under the Employee Share Ownership Scheme. For details, please refer to the section headed "EMPLOYEE SHARE OWNERSHIP SCHEME" in this Report of Directors.

Save as disclosed above, no right to subscribe for the Shares in or debentures of the Company or other corporations was granted by the Company, subsidiaries of the Company, the parent Company and/or its subsidiaries to any Director, Supervisor of the Company or their respective spouses or children aged under 18, and no such rights to subscribe the above Shares or debentures were exercised by them.

Interests and short positions of the Substantial Shareholders in the Shares and underlying Shares of the Company

As at 31 December 2024, as indicated on the register of interests and/or short positions required to be maintained pursuant to Section 336 of Part XV of the SFO, the Substantial Shareholders (other than the Directors, the Supervisors and the chief executive of the Company) had the following interests and/or short positions in the Shares or underlying Shares of the Company:

Name of Shareholders	Number and class of Shares held[1]	Nature of interest	Approximate percentage of shareholdings in the total share capital of the Company[2]	Approximate percentage of shareholdings in the relevant class of share capital of the Company[3]
Yonyou[4]	201,479,637 Domestic Shares (L)	Beneficial owner		
	14,979,154 Domestic Shares (L)	Interest in a controlled corporation		
	Total: 216,458,791 Domestic Shares (L)		66.44%	88.98%
UBS Group AG	15,026,887 H Shares (L)	Interest in a controlled corporation	4.61%	18.21%
Gaocheng Fund I, L.P.[5]	8,250,000 H Shares (L)	Beneficial owner	2.53%	10.00%
Gaocheng Holdings GP, Ltd[5]	8,250,000 H Shares (L)	Interest in a controlled corporation	2.53%	10.00%
Tsing Young Holding Limited[5]	8,250,000 H Shares (L)	Interest in a controlled corporation	2.53%	10.00%
Hong Jing (洪婧)[5]	8,250,000 H Shares (L)	Interest in a controlled corporation	2.53%	10.00%

Notes:

(1) (L) – long position.

(2) The calculation was based on the total number of 325,772,499 Shares of the Company in issue as at 31 December 2024.

(3) The calculation was based on the number of 243,272,499 Domestic Shares in issue and 82,500,000 H Shares in issue of the Company as at 31 December 2024, respectively.

(4) As at 31 December 2024, Yonyou directly held 201,479,637 Domestic Shares, indirectly held 1,006,176 Domestic Shares through Happiness Investment and indirectly held 13,972,978 Domestic Shares through Yonyou Up, respectively. As each of Happiness Investment and Yonyou Up is a controlled corporation of Yonyou, Yonyou is deemed to be interested in the Domestic Shares held by Happiness Investment and Yonyou Up.

(5) According to the notice of disclosure of interest filed by Gaocheng Fund I, L.P. on 25 May 2021, Gaocheng Fund I, L.P. held 5,500,000 H Shares. Given that the Company completed the Capitalisation Issue in October 2021 on the basis of five (5) Capitalisation Shares for every ten (10) Shares by way of capitalisation of capital reserve to all the Shareholders, it's calculated that Gaocheng Fund I, L.P. held 8,250,000 H Shares as at 31 December 2024, which accounted for approximately 2.53% of the total share capital of the Company. Gaocheng Holdings GP, Ltd, held 1.58% equity interest of Gaocheng Fund I, L.P. as its general partner. Gaocheng Holdings GP, Ltd is wholly-owned by Tsing Young Holding Limited, which is in turn wholly-owned by Hong Jing. Therefore, Hong Jing, Tsing Young Holding Limited and Gaocheng Holdings GP, Ltd are all be deemed to be interested in the 8,250,000 H Shares held by Gaocheng Fund I, L.P..

Save as disclosed above, as at 31 December 2024, so far as the Directors, the Supervisors and the chief executive of the Company are aware of, no other persons had any interests and/or short positions in the Shares or underlying Shares of the Company which were required, pursuant to Section 336 of Part XV of the SFO, to be recorded in the register kept under such provisions.

MAJOR CLIENTS AND SUPPLIERS

As the consolidated turnover from the five largest clients of the Group was no more than 30% of the total turnover of the Group in 2024, the Group is not subject to the risk of relying on major clients. Except for a few of the clients who are granted an average trade credit term around 90 days by the Group, the majority of the Group's clients are required to make payments in advance. For strategic and key clients, the Group's trading credit terms could be extended appropriately.

For the year ended 31 December 2024, the total purchases made by the Group from the five largest suppliers was no more than 30% of the total purchases of the year.

USE OF PROCEEDS

The Company's H Shares were listed and traded on 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 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 31 December 2024 are detailed as follows:

Planned use	Budgeted amount	Amount used during the Reporting Period	Accumulated amount used	Unutilised amount	Intended timetable for use of the unutilised amount
	HK$	*HK$*	*HK$*	*HK$*	
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 31 December 2024, 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 THE LISTED SECURITIES

For the year ended 31 December 2024, 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 Listing Rules). As at 31 December 2024, the Company did not hold any such treasury shares.

PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2024, the new property, plant and equipment of the Group amounted to RMB1.06 million (2023: RMB0.79 million). Details of the movements are set out in note 13 to the financial statements.

DISTRIBUTABLE RESERVES

Details of the Company's reserves are set out in note 39 to the financial statements. As at 31 December 2024, the Company had no retained earnings (31 December 2023: Nil) as reserves available for distribution to Shareholders.

EMPLOYEE AND ORGANIZATION GUARANTEE

As at 31 December 2024, the Group had 982 employees in total (31 December 2023: 1,110 employees), representing a decrease of 12% from the end of the previous year. During the Reporting Period, in order to promote the development of business scale and efficiency, the Group continued to optimize its organizational structure, create a marvelous team and improve staff efficiency. The Group has introduced different performance management systems in each of its business divisions based on their business characteristics, with an aim to continuously stimulate team dynamics and enhance overall organizational effectiveness. Regarding team building, the Group focused on cultivating and developing senior management and expert talents, conducted a stocktaking on the talent pool to identify key positions, and focused on the construction of core talent teams. In terms of staff motivation, the Group has adopted a series of measures such as long-term incentive plans, reform of the remuneration and benefit system, and enhanced the construction of corporate culture to improve employees' sense of belonging, stimulate their motivation and innovation, and strengthen the competitiveness of the organization.

TRAINING PROGRAMS

The Group regarded employee development as the foundation of the Company's development, and constantly improved the professionalism and comprehensive skills of employees to help employees better realize their own value at work. 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 work strategies of each business center and the annual objectives of human resources, along with the Group's mission and vision, the Group has established and implemented an annual training plan.

During the Reporting Period, the Group was committed to continuously relying on management for efficiency and improving its organisational efficiency. In accordance with the Group's long-term development objectives and based on the enterprise value chain, the Group established a dual-channel, sub-organizational and hierarchical training system to meet the training needs of employees at each department, level and different development channels. At the same time, the Group designed and implemented phased competency enhancement special training programs in accordance with the requirements of the Group's short-term business strategies on employees' competency to meet short-term business development needs. The Group carried out trainings for new employees on the development history of the enterprise, knowledge on the products and businesses and financial and human resources policies, etc.; carried out professional knowledge, industry cutting-edge theoretical training courses and special training camps for general employees; carried out training courses for reserve cadres and key personnel on management knowledge and skills enhancement; and carried out training programs on knowledge of strategic design and implementation for senior management. Based on the needs of the Group's business development, the Group carried out a comprehensive training program on strategic knowledge and skills for each department, so as to better equip employees with the responsiveness required for executing the strategy. The Group valued the results and effectiveness of training, and issued training satisfaction questionnaires after training. Through analyzing the questionnaires and listening to employees' feedback, post-training exercise feedback, interviews and observations, the Group paid attention to the behavioral improvement of the trainees, which in turn optimized the training programs and training course arrangement, so as to continuously improve the training system.

REMUNERATION POLICY

The Remuneration and Appraisal Committee was established under the Board, which is mainly responsible for the appraisal of the Directors and senior management and reviewing their remuneration, and providing advice and recommendations. Directors (other than independent non-executive Directors) and Supervisors (other than independent Supervisors) do not receive any remuneration from the Company for their directorships or supervisorships. Mr. Yang Yuchun (an executive Director), Ms. Ren Jie and Ms. Xia Yuhan (the employee representative Supervisors) are in charge of management or business of the Company and receive remuneration from the Company for their positions of management or business leader of the Company. The allowances of independent non-executive Directors and independent Supervisors are determined by taking into account, among other things, the remuneration paid by similar companies, time commitment and responsibilities and considered and determined at the general meeting of the Company. Each independent non-executive Director is entitled to receive an allowance of RMB150,000 (tax inclusive) per year while each independent Supervisor is entitled to receive an allowance of RMB80,000 (tax inclusive) per year. The Remuneration and Appraisal Committee will consider the remuneration policy of senior management and then propose to the Board for approval. Such remuneration is determined mainly based on the principles of fairness, linkage to performance, combination of short-term and long-term incentives, and combination of incentives and constraints, wherein fairness refers to the competitiveness of the remuneration offered by the Company compared with the income level of equivalent positions in the market; and the remuneration of each position within the Company reflects the value of the position to the Company and the unity of "responsibilities, rights and benefits".

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 account their respective rank of positions, segment, business line, region, etc. Remuneration of the staff includes basic salary, performance-based bonus and allowance. In particular, basic salary is payable monthly while performance-based bonus is payable in appropriate forms based on each appraisal period and specific management requirements of the Company pursuant to the relevant laws and regulations of the PRC. Allowance comprises work allowance, public welfare and statutory welfare, etc. 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. During the Reporting Period, details of the remuneration of the staff charged to the Group were set out in the note 6 to the financial statements. In order to attract, retain and motivate key talents needed for the achievement of the Company's strategic objectives, the Company has adopted the Employee Share Ownership Scheme, the Long-term Incentive Bonus Scheme and other long-term cash incentive measures. For details, please refer to the sections headed "EMPLOYEE SHARE OWNERSHIP SCHEME" and "LONG-TERM INCENTIVE BONUS SCHEME" in the Report of Directors.

PENSION SCHEME

Details of pension scheme of the Group are set out in note 2.4 and note 6 to the financial statements.

EMPLOYEE SHARE OWNERSHIP SCHEME

The Company approved and adopted the Employee Share Ownership Scheme at the extraordinary general meeting held on 28 December 2020. For details of the Employee Share Ownership Scheme, please refer to the announcements of the Company dated 23 November 2020 and 28 December 2020 and the circular of the Company dated 10 December 2020. Capitalized terms used in this section shall have the same meanings as those defined in the above announcements and circular.

In order to better utilise the sustainable incentive function of the Employee Share Ownership Scheme and increase the flexibility in the implementation of the Scheme, without prejudice to the interests of the Company and its Shareholders as a whole, and taking into account the actual situation and market practice, the Company amended the provisions of the Employee Share Ownership Scheme relating to the realization price of the incentive shares upon satisfaction of the unlocking conditions. Also, in order to maintain a clear context, the Company adjusted certain wordings of the Employee Share Ownership Scheme. Please refer to the circular of the Company dated 24 April 2024 and the announcement of the Company dated 21 May 2024 for details of the amendments to the Employee Share Ownership Scheme.

1. Summary of the Employee Share Ownership Scheme

(1) Purposes

The purposes of the Employee Share Ownership Scheme are as follows: (i) to facilitate the alignment of the understanding of the employees and the Company in relation to the medium and long-term strategic goals and the capital plan of the Company and jointly promote sustainable, healthy and rapid growth of the business of the Company; (ii) to motivate the initiative, enthusiasm and creativity of the existing employees of the Company, and to enhance the sense of responsibility, commitment and cohesiveness of the operation management team and the key personnel of the Company on the development of the Company; and (iii) to improve the incentive constraint mechanism of the Company to attract, retain and inspire the mid-level and senior management and key personnel, who are essential for the Company in realizing its strategic goal.

(2) ***Participants***

The Employee Share Ownership Scheme Participants are full-time mid to senior level management personnel, experts and other key personnel of the Company and its subsidiaries.

(3) ***Total number of the incentive shares***

The total number of incentive shares that may be granted under the Employee Share Ownership Scheme shall not exceed 15,412,716 Domestic Shares, representing approximately 7.10% of the total issued share capital of the Company as at the date of the adoption of the Employee Share Ownership Scheme as approved by the extraordinary general meeting (i.e. 28 December 2020). On 28 December 2020, the Board has considered and approved the grant of the incentive shares under the Employee Share Ownership Scheme, being 15,412,716 Domestic Shares, representing 100% of the total number of incentive shares available for grant under the Employee Share Ownership Scheme, to 158 Employee Share Ownership Scheme Participants. The incentive shares come from the transfer of the controlling Shareholder. The Employee Share Ownership Scheme does not involve the issuance of shares.

(4) ***Purchase price and its determination basis***

The incentive shares were transferred to the Shareholding Platform by the controlling Shareholder, Yonyou on 23 November 2020 at a price of RMB9.16 per share (which is equivalent to 90% of the closing price of the H Shares on the trading day immediately prior to the date of the proposed adoption by the Board of the Employee Share Ownership Scheme), and were subject to the lock-up provisions under the Employee Share Ownership Scheme. According to the provisions of the Employee Share Ownership Scheme, the funds involved in the holding of the incentive shares shall be contributed in cash and paid in one lump sum by the Employee Share Ownership Scheme Participants at the aforementioned price of RMB9.16 per share, and the source of which shall be their lawful salaries, self-raised funds and other methods as permitted under the laws and regulations. The Scheme Participants does not need to pay other fees for applying for or accepting the incentive shares.

(5) ***Grant Date and cap of the incentive shares that can be granted***

The Grant Date of the Employee Share Ownership Scheme is 28 December 2020. There is no cap on the number of the incentive shares that can be granted to each Scheme Participant under the Employee Share Ownership Scheme.

(6) Lock-up Period and Unlocking Dates, Exercise Period

The lock-up Period of the incentive shares shall be two years from the Grant Date, during which the incentive shares (including any Shares derived therefrom as a result of the Capitalisation Issue, bonus issue and any shares issued in other circumstances) shall not be transferred, gifted, pledged for guarantee or used for repayment of debts. The incentive shares shall be unlocked in three tranches on the respective unlocking date. The respective unlocking date is the first trading day after the expiry of the second anniversary, third anniversary and fourth anniversary of the grant date (i.e. 28 December 2022, 28 December 2023 and 30 December 2024), upon which and subject to the satisfaction of the unlocking conditions, 40%, 30% and 30% of the incentive shares shall be unlocked. There was no limitation under the Employee Share Ownership Scheme on the maximum period of time for holding the unlocked incentive shares by the Employee Share Ownership Scheme Participants through the Shareholding Platform.

(7) Remaining life

Except for the incentive shares that cannot be unlocked due to failure to meet the unlocking conditions, all incentive shares under the Employee Share Ownership Scheme were unlocked on 30 December 2024.

The Employee Share Ownership Scheme does not have a life or remaining life as required under Chapter 17 of the Listing Rules and will be terminated upon the occurrence of any of the specified circumstances as set out in the circular of the Company dated 10 December 2020, such as merger and demerger of the Company, change of control of the Company, a certified public accountant issues an auditors' report with adverse opinion or indicates the inability to give an opinion with respect to the financial report of the Company for its most recent accounting year, etc. Please refer to the circular of the Company dated 10 December 2020 for further details.

2. Details of Grant and Unlocking of the Incentive Shares during the Reporting Period

The Company completed the grant of all incentive shares under the Employee Share Ownership Scheme on 28 December 2020 and therefore there was no new grants of incentive shares under the Employee Share Ownership Scheme during the Reporting Period. Details of the changes in the incentive shares during the Reporting Period are set out as follows:

No.	Name	Position	Number of the incentive shares granted on 28 December 2020	Number of the incentive shares granted after the Capitalisation Issue[Note]	Approximate percentage of the number of the incentive shares granted to the total issued share capital of the Company as at 28 December 2020 (%)	Number of the lapsed incentive shares as of 1 January 2024	Number of the locked incentive shares as of 1 January 2024	Number of the lapsed incentive shares in 2024	Number of the incentive shares unlocked in 2024	Accumulated number of the lapsed incentive shares as of 31 December 2024	Number of the incentive shares to be unlocked as of 31 December 2024
1.	Director and Supervisor										
	Yang Yuchun	Executive Director and President	1,427,716	2,141,574	0.66	–	642,472	128,494	513,978	128,494	–
2.	The four highest paid employees in 2024 (other than Yang Yuchun)										
			2,140,000	3,210,000	0.99	–	963,000	192,600	770,400	192,600	–
3.	Other Scheme Participants (mid to senior level management personnel, experts and other key personnel of the Company)										
			11,845,000	17,767,500	5.45	930,750	4,999,500	1,077,300	3,922,200	2,008,050	–
TOTAL			**15,412,716**	**23,119,074**	**7.10**	**930,750**	**6,604,972**	**1,398,394**	**5,206,578**	**2,329,144**	**–**

Note: The Company completed the Capitalisation Issue and issued five (5) capitalisation shares to all Shareholders of the Company for every ten (10) shares being held by way of the transfer from capital reserve to share capital in October 2021, therefore the number of the incentive shares granted above increased correspondingly.

On 28 December 2022, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to unlocking of the first tranche of incentive shares granted under the Employee Share Ownership Scheme. 40% of incentive shares held by the scheme participants who have satisfied the unlocking conditions for the first tranche of incentive shares have been unlocked in accordance with the provisions as stipulated in the Employee Share Ownership Scheme. For details, please refer to the announcement of the Company dated 28 December 2022.

On 28 December 2023, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to unlocking of the second tranche of incentive shares granted under the Employee Share Ownership Scheme. 30% of incentive shares held by the scheme participants who have satisfied the unlocking conditions for the second tranche of incentive shares have been unlocked in accordance with the provisions as stipulated in the Employee Share Ownership Scheme. For details, please refer to the announcement of the Company dated 28 December 2023.

On 30 December 2024, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to the unlocking of the third tranche of incentive shares granted under the Employee Share Ownership Scheme. Pursuant to the resolution, 30 December 2024 is the unlocking date of the third tranche of incentive shares. The business performance of the Company for the corresponding assessment year (i.e. the year of 2023) has reached more than 80% but less than 100% of the appraisal targets set by the Board. Therefore, the number of unlockable shares is 80% of the 30% of the total number of incentive shares granted. Except for some scheme participants who have terminated or rescinded their labor contracts with the Company and individual scheme participant who did not achieve the required individual performance appraisal results for the year of 2023 (the incentive shares granted to such scheme participants did not meet the unlocking conditions), the remaining scheme participants have met the individual unlocking conditions as stipulated in the Employee Share Ownership Scheme, as approved by the President Committee. 80% of the 30% of the total number of incentive shares, being 21,694,074 Domestic Shares held by such scheme participants (i.e. 5,206,578 shares) have been unlocked in accordance with the provisions as stipulated in the Employee Share Ownership Scheme. Please refer to the announcement of the Company dated 30 December 2024 for details.

As of 31 December 2024, the Company has fully completed the grant and unlocking of the incentive shares under the Employee Share Ownership Scheme.

Report of Directors (continued)

LONG-TERM INCENTIVE BONUS SCHEME

In order to improve the incentive constraint mechanism of the Company to attract, retain and inspire the mid-level and senior management and key personnel, who are essential for the Company in realizing its strategic goal, to motivate the initiative, enthusiasm and creativity of the existing employees of the Company, and to facilitate the alignment of the understanding of the employees and the Company in relation to the medium and long-term strategic goals and the capital plan of the Company and jointly promote sustainable, healthy, rapid growth of the business of the Company and realize the comprehensive transformation of cloud business, to achieve the planned strategic goal, the Company approved and adopted a Long-term Incentive Bonus Scheme at the extraordinary general meeting of the Company held on 28 December 2020. For details of the Long-term Incentive Bonus Scheme, please refer to the announcements of the Company dated 23 November 2020 and 28 December 2020 and the circular of the Company dated 10 December 2020.

On 28 December 2020, the Board and Remuneration and Appraisal Committee of the Board has considered and approved the list of the participants under the Long-term Incentive Bonus Scheme, which comprises Mr. Yang Yuchun, the executive Director and the President of the Company, and 157 other mid to senior level management personnel, experts and key personnel of the Group. The bonus shall be awarded in three tranches within three months after each appraisal date upon satisfaction of the corresponding appraisal conditions. The respective appraisal date is the first working day after the expiry of the second anniversary, third anniversary and fourth anniversary of the date of determining the Long-term Incentive Bonus Scheme Participants. The amount of the bonus payable for the corresponding tranche shall be calculated according to the corresponding proportion of bonuses determined by the Board.

On 28 December 2022, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to awarding of the first tranche of bonus under the Long-term Incentive Bonus Scheme. For details, please refer to the announcement of the Company dated 28 December 2022.

On 28 December 2023, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to the awarding of the second tranche of bonus under the Long-term Incentive Bonus Scheme. For details, please refer to the announcement of the Company dated 28 December 2023.

On 30 December 2024, the Board and Remuneration and Appraisal Committee of the Board considered and passed a resolution in relation to the awarding of the third tranche of bonus under the Long-term Incentive Bonus Scheme. Pursuant to the resolution, 30 December 2024 is the appraisal date for the third tranche of bonus. The business performance of the Company for the corresponding assessment year (i.e. the year of 2023) has reached more than 80% but less than 100% of the appraisal targets set by the Board. Therefore, the amount of bonus to be awarded is 80% of the fixed amount of bonus. Except for some scheme participants who have terminated or rescinded their labor contracts with the Company and withdrawn from the Long-term Incentive Bonus Scheme and individual scheme participant who did not achieve the required individual performance appraisal results for the year of 2023 (such scheme participant did not meet the appraisal conditions), the remaining scheme participants have met the individual performance appraisal conditions as stipulated in the Long-term Incentive Bonus Scheme, as approved by the President Committee. Based on the business performance of the Company for the year of 2023, the Board considered and determined that the appropriation ratio for the third tranche of bonus shall be approximately 2.99%, and the total amount of this tranche of bonus to be awarded to the scheme participants shall be approximately RMB22.09 million (tax inclusive). Please refer to the announcement of the Company dated 30 December 2024 for details.

As of 31 December 2024, the Company has fully completed the appraisal of bonus under the Long-term Incentive Bonus Scheme.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of Directors, Supervisors and the chief executive of the Company are set out in note 8 to the financial statements. The remuneration of other persons who served as the senior management of the Company during the Reporting Period was within the following ranges:

	person(s)
RMB1 million to RMB2 million (inclusive)	11
RMB2 million to RMB3 million (inclusive)	1
Total	12

The abovementioned remuneration is inclusive of the allocated/granted bonus under the Long-term Incentive Bonus Scheme and incentive shares under the Employee Share Ownership Scheme, which should be included in the current remuneration of such person for their contribution to the Group. For details, please refer to the sections headed "EMPLOYEE SHARE OWNERSHIP SCHEME" and "LONG-TERM INCENTIVE BONUS SCHEME" in the Report of Directors and notes 26 and 29 to the financial statements.

SERVICE CONTRACTS WITH DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with all Directors and Supervisors, with the maximum term of three years. No service contract that cannot be terminated by the Group within one year without paying any compensation (other than the statutory compensation) was entered or is to be entered into between Directors or Supervisors and members of the Group.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

Save as disclosed in the section headed "CONNECTED TRANSACTIONS" in this Report of Directors and note 34 to the financial statements, no material transactions, arrangements or contracts relating to the business of the Group, to which the Company or any of its subsidiaries was a party and in which Directors and/or Supervisors of the Company (or entities connected to such Directors and/or Supervisors) still had or has had material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

During the Reporting Period, the Company did not enter into nor had any contracts in relation to the management of the entire or substantial business of the Company.

CONTROLLING SHAREHOLDERS' INTERESTS IN MATERIAL CONTRACTS

Save as disclosed in the section headed "CONNECTED TRANSACTIONS" in this Report of Directors, during the Reporting Period, neither the Company nor any of its subsidiaries has entered into any material contract with the controlling Shareholders (as defined in the Listing Rules) or any of its subsidiaries. And there is no entering into of any material contract in respect of the services provided by the controlling Shareholders or any of its subsidiaries to the Company or any of its subsidiaries.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period and as at the Latest Practicable Date, save as disclosed below, no permitted indemnity provision which benefits any of the Directors or Supervisors of the Company was in force or is currently in force (whether made by the Company or otherwise) or the Directors or Supervisors of an associated corporation of the Company (if made by the Company).

The Company has arranged appropriate liability insurance for Directors and Supervisors concerning the relevant legal action they may be faced with. Such insurance was in force during the Reporting Period and remained effective as of the Latest Practicable Date.

DONATIONS

During the Reporting Period, no donation was made by the Company (2023: Nil).

NON-COMPETITION UNDERTAKINGS

Independent non-executive Directors have reviewed the compliance of the Non-Competition Agreement and its supplemental agreement by Yonyou, the controlling Shareholder of the Company, and Mr. Wang Wenjing (collectively, the "**Covenantors**") as well as the compliance of the Confirmation (defined as below) and the amended Confirmation by Yonyou and its associates (other than the Company and its subsidiaries).

Independent non-executive Directors have confirmed that, the Covenantors have been in compliance with the terms of such agreements from 1 January 2024 to 31 December 2024, details of which are set out as follows:

Non-Competition Agreement and Its Supplemental Agreement

In order to protect the interests of the Company and its Shareholders as a whole, the Covenantors and their respective associates (other than the Company and its subsidiaries) made the following declarations to the Company:

1. The Covenantors entered into the Non-Competition Agreement with the Company in favor of the Company on 17 February 2014, pursuant to which, including but not limited to (among other things), save for the exceptions stipulated in the Non-Competition Agreement, the Covenantors will not and will use their best endeavors to procure their associates shall not, directly or indirectly, at any time during the relevant period, carry out, be engaged in, invest in, participate in, attempt to participate in, render any services to, provide any financial support to or otherwise be involved in or interested in, whether alone or jointly with other persons and whether directly or indirectly or on behalf of or to assist or act in concert with any other person, any business in competition or will compete or may compete, directly or indirectly, with the restricted business. In addition, for the existing and future restricted businesses, the Covenantors will provide the Company with pre-emptive rights and the options for acquisition;

2. The Covenantors and the Company entered into the supplemental non-competition agreement on 21 October 2016 (approved at the extraordinary general meeting of the Company held on 30 December 2016), pursuant to which, the payment business shall be excluded from the scope of restricted business under the Non-Competition Agreement;

3. The Covenantors confirmed that, from 1 January 2024 to 31 December 2024, the Covenantors and their respective associates (other than the Company and its subsidiaries) strictly complied with and implemented the provisions of the Non-Competition Agreement and its supplemental agreement, and did not infringe any provisions of the Non-Competition Agreement and its supplemental agreement under any circumstances; and

4. The Covenantors have provided all necessary information to the independent non-executive Directors of the Company for their inspection on the implementation of the Non-Competition Agreement and its supplemental agreement.

Confirmation

In order to guarantee the interests of the Company and its Shareholders as a whole, Yonyou and its associates (other than the Company and its subsidiaries) made the following declarations to the Company:

1. In order to avoid any existing or potential competition, on 11 April 2014, Yonyou issued a written confirmation (the "**Confirmation**") in relation to cloud service business and payment business that (i) neither Yonyou nor any of its associates (other than through the Company) invest in, is engaged in, operate or participate in, or will be engaged in, operate or participate in, directly or indirectly, the public cloud platform and cloud services designed for MSEs; and (ii) neither Yonyou nor any of its associates (other than through the Company and its subsidiary, Chanjet Payment) invest in, is engaged in, operate or participate in, or will engage in, operate or participate in, directly and indirectly, any business that competes or may compete with the payment services of non-financial institutions as defined under the Measures for the Administration of Payment Services of Non- Financial Institutions (《非金融機構支付服務管理辦法》), as amended from time to time;

2. On 21 October 2016, Yonyou amended the Confirmation to the effect that payment business shall be excluded from the relevant undertakings made by Yonyou under the Confirmation, and such amendments were approved at the extraordinary general meeting of the Company held on 30 December 2016;

3. Yonyou confirmed that from 1 January 2024 to 31 December 2024, Yonyou and its associates (other than the Company and its subsidiaries) strictly complied with and implemented the provisions of the Confirmation, and did not infringe any provisions of the Confirmation under any circumstances; and

4. Yonyou has provided all necessary information to the independent non-executive Directors of the Company for their inspection on the implementation of the Confirmation.

The Board has received annual declarations from the Covenantors for their compliance and execution of Non-Competition Agreement and its supplemental agreement, and Yonyou and its associates (excluding the Company and its subsidiaries) for their compliance and execution of the Confirmation.

CONNECTED TRANSACTIONS

1. Non-exempt Connected Transactions

Capital Reduction of Happiness Yunchuang

On 6 November 2024, the Company, Yonyou, Beijing Yonyou Chuangxin Investment Centre (Limited Partnership) (北京用友創新投資中心(有限合夥)) ("**Yonyou Chuangxin Investment**") and Happiness Investment signed the Change Resolution, pursuant to which, all partners of Beijing Yonyou Happiness Yunchuang Entrepreneurship Investment Centre (Limited Partnership) ("**Happiness Yunchuang**") agreed to reduce the capital contribution in proportion to their respective partnership interest in Happiness Yunchuang, thereby reducing the capital contribution of Happiness Yunchuang from RMB40,357,000 to RMB5,357,000. Of which, the capital contribution made by the Company will be reduced from RMB4,035,700 to RMB535,700 (the "**Capital Reduction**"). The capital contribution structures of Happiness Yunchuang before and after the completion of the Capital Reduction and the consideration for capital reduction payable by Happiness Yunchuang to each of the partners in cash are set out as follows:

	Before the Capital Reduction			After the Capital Reduction	
Name of partners	**Subscribed and paid-in capital contribution**	**Percentage of capital contribution**	**Consideration for capital reduction**	**Subscribed and paid-in capital contribution**	**Percentage of capital contribution**
	(RMB'0,000)		*(RMB'0,000)*	*(RMB'0,000)*	
The Company	403.57	10.0%	350.00	53.57	10.0%
Yonyou Chuangxin Investment	2,413.3486	59.8%	2,093.00	320.3486	59.8%
Happiness Investment	815.2114	20.2%	707.00	108.2114	20.2%
Yonyou	403.57	10.0%	350.00	53.57	10.0%
Total	**4,035.70**	**100%**	**3,500.00**	**535.70**	**100%**

Yonyou is the controlling Shareholder of the Company, Yonyou Chuangxin Investment, Happiness Investment and Happiness Yunchuang are subsidiaries of Yonyou, Yonyou, Yonyou Chuangxin Investment, Happiness Investment and Happiness Yunchuang are therefore connected persons of the Company. Therefore, the Capital Reduction constitutes a connected transaction of the Company under the Listing Rules. Mr. Wang Wenjing, a Director, is also a director of Yonyou, and Mr. Wu Zhengping, a Director, is also a director of Yonyou and Happiness Investment, and are therefore deemed to have material interests in the abovementioned transaction. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting.

For details of the above transactions, please refer to the announcement of the Company dated 6 November 2024.

Capital Increase in an Associate

On 25 November 2024, the Company and Beijing Yonyou Ronglian Technology Co., Ltd. (北京用友融聯科技有限公司) ("**Ronglian Technology**") entered into the Capital Increase Agreement, pursuant to which, the Company and Ronglian Technology agreed to increase their capital contributions to Chanjet Payment in an aggregate amount of RMB100 million in proportion to their respective shareholdings in Chanjet Payment in cash, of which the Company agreed to increase its capital contribution by RMB19.28 million, and Ronglian Technology agreed to increase its capital contribution by RMB80.72 million, thereby increasing the registered capital of Chanjet Payment from RMB200 million to RMB300 million (the "**Capital Increase**"). Upon the completion of the Capital Increase, the capital contribution made by the Company will be increased from RMB38.56 million to RMB57.84 million, where the shareholding of the Company in Chanjet Payment will remain unchanged at 19.28% and the Company will still account for Chanjet Payment as an associate of the Company.

Ronglian Technology and Chanjet Payment are both indirect non-wholly owned subsidiaries of Yonyou Technology, with Mr. Wang Wenjing (a non-executive Director of the Company) holding 100% equity interests in Yonyou Technology. Therefore, Ronglian Technology and Chanjet Payment are connected persons of the Company. The Capital Increase constitutes a connected transaction of the Company under the Listing Rules. The Directors, Mr. Wang Wenjing and Mr. Wu Zhengping, have equity interests in Ronglian Technology and Chanjet Payment, and are directors of Yonyou, and are therefore deemed to have material interests in the abovementioned transaction. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting.

For details of the above transactions, please refer to the announcement of the Company dated 25 November 2024.

2. Continuing Connected Transactions

2.1 Connected persons

Pursuant to Rule 14A.07 of the Listing Rules, Yonyou, the controlling Shareholder of the Company and its associates are connected persons of the Company. Accordingly, the continuing transactions between the Group and Yonyou and/or its associates constitute continuing connected transactions under Chapter 14A of the Listing Rules.

2.2 *Non-exempt continuing connected transactions*

Property Leasing Framework Agreement

According to the demands for the Group's business development, on 6 December 2021, the Company re-entered into the property leasing framework agreement with Yonyou, pursuant to which Yonyou Group agreed to continue to lease the property of Yonyou Group to the Group. The term of the property leasing framework agreement was effective from 1 January 2022 and expired on 31 December 2024. Both parties agreed that the expected annual rent payable in respect of the transactions under the property leasing framework agreement for the three years ended 31 December 2024 shall not exceed RMB10,214,500, RMB10,762,500 and RMB14,631,700 respectively.

According to "IFRS 16 – Leasing" adopted by the Group since 1 January 2019, the leasing transactions under the property leasing framework agreement consist of long-term leases and short-term leases. Long-term leases are leases with a lease term of over 12 months and to which the Group applies a single method for recognition and measurement of right-of-use assets and lease liabilities, and short-term leases are leases with a lease term of 12 months or less.

For long-term leases under the property leasing framework agreement, according to "IFRS 16 – Leasing", the Group shall recognize the right-of-use assets and lease liabilities for leases made by the Group as a lessee, which are measured at the present value of the lease payments, discounted using the lessee's incremental borrowing rate. Accordingly, the Group shall set annual caps on the total value of the right-of-use assets relating to long-term leases expected to be made by the Group as a lessee and Yonyou Group under the property leasing framework agreement. For the three years ended 31 December 2024, the annual caps of such right-of-use assets are as follows:

	For the year ended 31 December		
	2022	**2023**	**2024**
	RMB	*RMB*	*RMB*
Annual caps of newly-added right-of-use assets	21,979,000	1,514,000	4,360,400

According to the property leasing framework agreement, the annual cap of the newly-added right-of-use assets relating to the long-term leases entered into between the Group (as the lessee) and Yonyou Group was RMB4,360,400 in 2024, and the actual newly-added right-of-use assets in 2024 was approximately RMB2,126,596.

In addition, for short-term leases under the property leasing framework agreement, the rent of short-term leases will be recognized as the Group's expenses pursuant to "IFRS 16 – Leasing". For each of the three years ended 31 December 2024, the annual rental expense of short-term leases under the property leasing framework agreement of the Group is expected to fall below the de minimis threshold for exemption under the Rule 14A.76(1)(c) of the Listing Rules. Therefore, the short-term leases under the property leasing framework agreement may be fully exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For details of the above transactions, please refer to the announcement of the Company dated 6 December 2021.

Given that the aforesaid property leasing framework agreement dated 6 December 2021 expired on 31 December 2024, according to the demands for the Group's business development, on 30 December 2024, the Company re-entered into a property leasing framework agreement (the "**New Property Leasing Framework Agreement**") with Yonyou, pursuant to which Yonyou Group agreed to continue to lease the property to the Group. The term of the New Property Leasing Framework Agreement shall take effect from 1 January 2025 and expire on 31 December 2027.

For the long-term leases under the New Property Leasing Framework Agreement, the annual caps of newly-added right-of-use assets relating to the long-term leases expected to be made between the Group and Yonyou Group from 2025 to 2027 are as follows:

	For the year ending 31 December		
	2025	**2026**	**2027**
	RMB	*RMB*	*RMB*
Annual caps of newly-added right-of-use assets	17,274,700	2,000,000	2,711,500

For the short-term leases under the New Property Leasing Framework Agreement, the annual caps of expected rental expenses of the Group for each of the years from 2025 to 2027 (aggregated with property fees and other rental expenses) are as follows (all of which are below the de minimis threshold for exemption under the Rule 14A.76(1)(c) of the Listing Rules):

	For the year ending 31 December		
	2025	**2026**	**2027**
	RMB	*RMB*	*RMB*
Annual caps	800,000	800,000	900,000

The Directors, Mr. Wang Wenjing and Mr. Wu Zhengping, are also directors of Yonyou or its subsidiaries, and are therefore deemed to have material interests in the transactions contemplated under the New Property Leasing Framework Agreement. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting.

For details of the above transactions, please refer to the announcement of the Company dated 30 December 2024.

Framework Agreement of Comprehensive Cloud Services for Social Employment

In order to promote the business development of the Group and make full use of the extensive market resources and marketing capabilities, the Group has adopted the form of cooperation with external partners to provide product promotion and supporting services for the Group by using their platforms and their own resources. Therefore, the Group established business cooperation relationships with these partners through social employment. On 28 May 2024, the Company entered into the framework agreement of comprehensive cloud services for social employment with Yonyou Xinfushe Cloud Technology Co., Ltd. (用友薪福社雲科技有限公司) ("**Yonyou Xinfushe**"), pursuant to which Yonyou Xinfushe and/or its subsidiaries will provide the Group with comprehensive cloud services for social employment, that is, through comprehensive cloud service platform for social employment (website: www.xinfushe.com) that is self-developed and with self-owned intellectual property rights, Yonyou Xinfushe and/or its subsidiaries provide the Group and the partners with Internet application services for social employment information and process management, business expenses settlement agency services, and related business expenses tax-related agency services. The framework agreement of comprehensive cloud services for social employment shall take effect upon being signed and stamped by the legal representatives or the authorized representatives of the parties and expired on 31 December 2024.

For the year ended 31 December 2024, the annual cap of the Group's aggregated brokerage service fee for transactions under the framework agreement of comprehensive cloud services for social employment was RMB5,300,000, and the actual brokerage service fee incurred was approximately RMB4,006,007.

Yonyou Xinfushe is a subsidiary of Yonyou, the controlling Shareholder of the Company, and therefore a connected person of the Company. Therefore, according to the Listing Rules, the transactions under the framework agreement of comprehensive cloud services for social employment constitute continuing connected transactions of the Company. Mr. Wang Wenjing, a Director, is also a director of Yonyou and Yonyou Xinfushe, and Mr. Wu Zhengping, a Director, is also a director of Yonyou, and are therefore deemed to have material interests in the transactions contemplated under the framework agreement of comprehensive cloud services for social employment. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting.

For details of the above transactions, please refer to the announcement of the Company dated 28 May 2024.

Corporate Information Collection and Processing Technology Services

Due to the business development needs of the Group, on 14 October 2024, the Company entered into the framework agreement of project services cooperation with Beijing Unicredit Consultation Company Limited (北京聯信徵信諮詢有限責任公司) ("**Unicredit Company**", together with its subsidiary(ies) (if any), "**Unicredit Group**"), pursuant to which the Group will provide Unicredit Group with corporate information collection and processing technology services. The term of the framework agreement has taken effect from 14 October 2024 and will expire on 31 December 2025.

The corporate information collection and processing technology services provided by the Group to Unicredit Group represent the series of corporate information collection and big data application products or services owned or fully authorized for use by the Company. Unicredit Group may use such series of products or services to conduct risk identification and information assessment during business processing, so as to enhance Unicredit Group's business processing efficiency and improve its information collection methodology. Service fee will be paid by Unicredit Group to the Group as stipulated in the Framework Agreement of Project Services Cooperation.

For the two years ending 31 December 2025, the annual caps of the Group's aggregated service fee income from corporate information collection and processing technology service transactions under the framework agreement of project services cooperation are as follows:

	For the year ended/ending 31 December	
	2024	**2025**
	RMB	*RMB*
Annual caps	6,000,000	9,000,000

The annual cap of aggregated service fee income from the corporate information collection and processing technology service transactions in 2024 was RMB6 million, and the actual service fee income incurred was RMB3,300,212.

Yonyou holds 30% equity interests of Unicredit Company. Unicredit Company is therefore an associate of Yonyou, and thus, a connected person of the Company under the Listing Rules. Therefore, according to the Listing Rules, the continuing transactions contemplated under the framework agreement of project services cooperation constitute continuing connected transactions of the Company. The Directors, Mr. Wang Wenjing and Mr. Wu Zhengping, are also directors of Yonyou, and are therefore deemed to have material interests in the transactions contemplated under the framework agreement of project services cooperation. Accordingly, they have abstained from voting on the relevant resolutions at the Board meeting.

For details of the above transactions, please refer to the announcement of the Company dated 14 October 2024.

The Company has confirmed that the specific implementation of the aforesaid continuing connected transactions during the Reporting Period has followed the pricing principles of such continuing connected transactions.

2.3 Confirmation from independent non-executive Directors and the auditor of the Company

The independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that:

(i) such transactions were entered into on normal commercial or better terms;

(ii) such transactions were entered into in the ordinary course of business of the Group; and

(iii) such transactions were conducted pursuant to the agreements, the terms and conditions of which are fair and reasonable, and in line with the overall development strategy of the Group and in the interests of the Company and the Shareholders as a whole.

The auditor of the Company has performed certain agreed procedures in relation to the aforesaid continuing connected transactions, and issued a letter to the Board, stating that:

(i) nothing has come to its attention that may cause it to believe that the aforesaid continuing connected transactions have not been approved by the Board;

(ii) the transaction in relation to the provision of goods and services by the Group, nothing has come to its attention that may cause it to believe that the transaction was not carried out, in all material respects, in accordance with the pricing policy of the Group;

(iii) nothing has come to its attention that may cause it to believe that the aforesaid continuing connected transactions were not carried out, in all material respects, pursuant to relevant agreements regulating such transactions; and

(iv) nothing has come to its attention that may cause it to believe that the aforesaid continuing connected transactions have exceeded their respective annual caps for the year ended 31 December 2024 as set out in the respective announcements.

Details of related party transactions entered into in the ordinary course of business of the Group during the Reporting Period are set out in note 34 to the financial statements. Save as disclosed above, no related party transactions set out in note 34 to the financial statements constitute disclosable connected transactions or continuing connected transactions under the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of its connected transactions and continuing connected transactions.

PRE-EMPTIVE RIGHTS

According to the laws of the PRC and the Articles of Association, there are no provisions on the preemptive rights to offer new Shares by the Company to its existing Shareholders on a pro rata basis.

MATERIAL LEGAL MATTERS

So far as the Board is aware of, as at 31 December 2024, 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.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has formulated compliance procedures to ensure compliance with applicable laws, rules and regulations with a significant impact on it. The Group maintains strict review procedures in the process of decision-making on investment and M&A, strategic adjustment, listing compliance, asset restructuring of major business, research and development of key products, development of national market, brand and intellectual property protection and other material events. The Company has also engaged Hong Kong and PRC legal advisers to provide legal advice for the Company and ensure compliance with laws, regulations and rules. In addition, relevant employees of the Group will be informed of any changes in applicable laws, regulations and rules from time to time.

The Group has complied with all laws and regulations that have significant impact on it in relation to copyright of computer software, operation of telecommunication business, protection of Internet information and users' personal information and online trading, and has not been subject to any material penalty in respect of the above aspects by any regulatory department.

In order to protect its intellectual properties, the Group has registered its domain name, and registered or applied for a number of trademarks, patents and software copyrights for multiple categories in the PRC and other relevant jurisdictions and taken all appropriate measures as required for safeguarding its intellectual properties.

ENVIRONMENTAL POLICIES AND PERFORMANCE

During the Reporting Period, in strict compliance with the relevant laws and regulations on environmental protection, energy-saving and emission-reduction, the Group improved the emissions management system, identified any potential type of emissions generating in the course of production and operation and studied to determine emissions disposal methods, so as to reduce waste emissions. During the Reporting Period, there were no material non-compliance accidents in terms of environment protection for the Group. The Group is committed to promoting environmental knowledge and advocating green life. The Group called on all the employees to build up the concept of environmental protection and energy saving, and strictly follow relevant laws and regulations in relation to environmental protection and energy saving; and updated energy-saving information on a regular basis, in order to guide and supervise environmental protection and energy saving by all the employees. Meanwhile, the Group enhanced its energy management to create green office, based on the effect of its own offices on environment and by using information technology. There were no emissions of Ozone Depleting Substances (ODS) and other air pollutants regulated by laws and regulations during the production course of the Group. The Group would reduce the use of packaging under the Policy on Distinguishing Sales of Cloud Encryption Products and Packaging (《雲加密產品與包裝區分銷售政策》). The Group implemented energy conservation and emission reduction management throughout its operations, actively promoted green office initiatives, focused on enhancing its ability to comprehensively utilize resources, and has undertook that, its business activities would not have any material effect on the environment and natural resources.

The above measures are designed to reduce resource consumption and environmental pollution, and in line with the Group's strategy to cut operating cost. For further details of the environmental policies and performance of the Group, please refer to the 2024 Environmental, Social and Governance Report of the Company.

Report of Directors (continued)

AUDITORS

At the 2023 annual general meeting of the Company held on 21 May 2024, the Company re-appointed Ernst & Young as the international auditor of the Company for the year ended 31 December 2024 and appointed Ernst & Young Hua Ming LLP as the PRC auditor of the Company for the year ended 31 December 2024. Ernst & Young has audited the accompanying financial statements which were prepared in accordance with the IFRSs. Ernst & Young was the reporting accountant of the Company during the listing period and the Company has not changed its auditors since the Listing Date.

On behalf of the Board
Wang Wenjing
Chairman
27 March 2025

Report of Supervisory Committee

During the Reporting Period, all members of the Supervisory Committee of the Company earnestly safeguarded the interest of the Company and Shareholders as a whole, and prudently and honestly performed their duties in compliance with requirements of Company Law of the PRC, relevant regulations and the Articles of Association; Supervisors of the Company attended all the Board meetings held in the year and supervised operating activities and financial condition of the Company as well as the performance of duties of Directors and senior management of the Company, thereby promoting the Company's standard operation and healthy development.

During the Reporting Period, the Supervisory Committee paid close attention to the major activities of operation and management. The Supervisory Committee convened regular meetings to consider resolutions in relation to the financial reports of the Company and supervised the financial tasks and financial condition of the Company in a timely manner. Employee representative Supervisors attended the monthly President's office meetings of the Company held in 2024, effectively performed their duties in supervising the operation and management and procedures of the Company.

During the Reporting Period, a total of three meetings were convened by the Supervisory Committee. At the first meeting of the fifth session of the Supervisory Committee for the year 2024 convened on 28 March 2024, the 2023 Annual Report, 2023 Final Financial Accounts, 2023 Internal Control Review Report, 2023 Report of the Supervisory Committee and 2023 Report of the Board were considered and approved; at the second meeting of the fifth session of the Supervisory Committee for the year 2024 convened on 22 August 2024, the 2024 Interim Report was considered and approved; at the third meeting of the fifth session of the Supervisory Committee for the year 2024 convened on 31 October 2024, the Resolution on the Nomination of Mr. Li Weimin as the Candidate for Shareholder Representative Supervisor of the Fifth Session of the Supervisory Committee of the Company (《關於提名李偉民為公司第五屆監事會股東代表監事候選人的議案》) was considered and approved. All Supervisors attended the above meetings. During the Reporting Period, the Supervisory Committee supervised the convening procedures and resolutions of the general meetings and the Board meetings of the Company, the implementation of resolutions approved at the general meetings by the Board, senior management's performance of their duties and implementation of the management system of the Company in accordance with requirements of relevant laws and regulations of the PRC as well as the Articles of Association. Given the supervisory work mentioned above, the Supervisory Committee is of the view that the Company has established a comprehensive corporate governance structure and internal control system; the Company operated strictly in accordance with the standards stipulated in the laws and regulations of the PRC and the Articles of Association, while the convening procedures of general meetings and the Board meetings, rules of procedures and resolution procedures were lawful and valid; it is not aware of any breaches of laws and regulations of the PRC or the Articles of Association or prejudice to the Company's interests by any Directors and senior management when performing their duties for the Company; the relatively sound internal control system of the Company promoted the legal operation of the Company, and ensured the asset safety and operation efficiency of the Company.

Report of Supervisory Committee (continued)

During the Reporting Period, the Supervisory Committee examined the financial structure and financial condition of the Company in a serious and careful manner and considered that the Company maintained healthy financial condition in 2024. The standard unqualified audit report issued by Ernst & Young and Ernst & Young Hua Ming LLP and their opinions on the matters involved were objective and fair. The financial report of the Company for the year 2024 gave a true picture of the financial condition and operating results of the Company.

During the Reporting Period, members of the Supervisory Committee attended the Board meetings of the Company. The Supervisory Committee had no objections to the contents of the reports and resolutions proposed by the Board at the general meetings. The Supervisory Committee supervised the implementation of resolutions approved at the general meetings and considered that the Board had duly performed relevant resolutions approved at the general meetings.

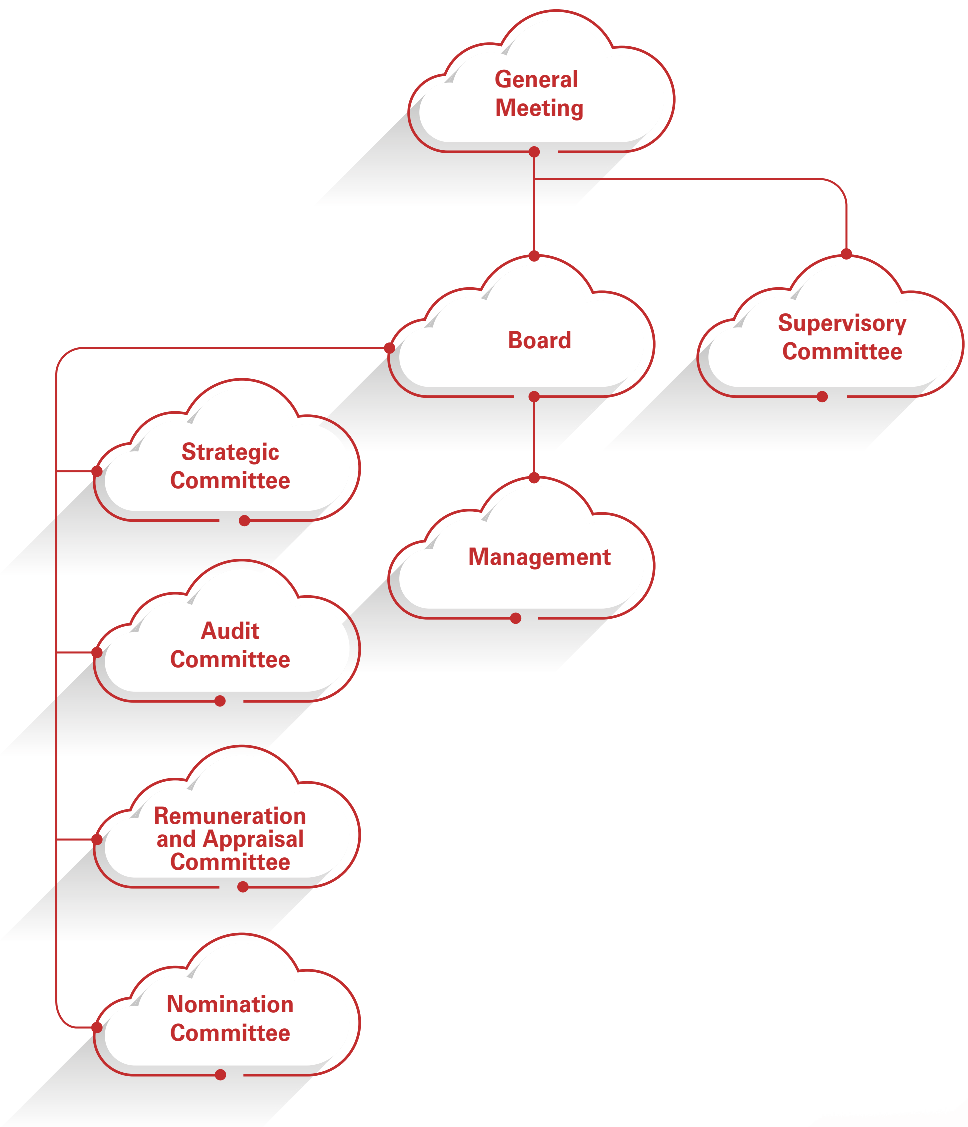
On behalf of the Supervisory Committee
Guo Xinping
Chairman of the Supervisory Committee
27 March 2025

Corporate Governance Report

CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly complied with requirements under the Company Law of the PRC, the Securities Law of the PRC and other laws and regulations, and requirements stipulated by domestic and overseas regulatory institutions to establish a standard and sound corporate governance structure while continuously committed to maintaining the corporate governance at a high level to improve the long-term value for Shareholders.

CORPORATE GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE DOCUMENTS

At present, the regulatory documents on corporate governance of the Company include but are not limited to the followings:

1. Articles of Association;
2. Rules of Procedure of General Meeting;
3. Rules of Procedure of Board;
4. Rules of Procedure of Supervisory Committee;
5. Working Rules for the Strategic Committee;
6. Working Rules for the Audit Committee;
7. Working Rules for the Remuneration and Appraisal Committee;
8. Working Rules for the Nomination Committee;
9. Working System for Independent Directors;
10. Working Rules of President;
11. Board Diversity Policy;
12. Shareholders Communications Policy; and
13. Dividend Policy.

The Board has reviewed the above-mentioned documents in relation to corporate governance adopted by the Company, and considered that such documents have met the requirements of all code provisions of the Corporate Governance Code. The corporate governance code adopted by the Company is more stringent than the code provisions set out in the Corporate Governance Code in the following aspects:

1. Apart from the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee, the Company has also established the Strategic Committee.
2. Independent non-executive Directors are required to review the information in relation to the compliance and implementation of the Non-Competition Undertakings provided by the controlling Shareholder at least once a year.

CORPORATE GOVERNANCE CODE

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

CORPORATE CULTURE

Mission of the Company: Facilitating MSEs' Development in Operation and Management with Creativity and Technology

Based on creative ideas and advanced technology (at the current stage, information technology), Chanjet innovates and operates products and services with high customer value to help customers achieve their development goals, thereby facilitating MSEs' development in operation and management. We achieve corporate vision on the basis of fulfilling our mission.

Vision of the Company: A Worldwide Leading Provider of Cloud Services for MSEs; A Platform for Partners and Employees to Enjoy Work, Make Career Achievements and Share Success

MSEs are our committed and continuous clients. Cloud services are the key business of Chanjet at the new development stage. The goal that must be achieved by the Company is to become a world-leading company. While striving to achieve the goal of industrial development, it is also the Company's pursuit for partners and employees to work happily, make career achievements and share success on the platform of Chanjet.

Core Values: Friend of Users, Continuous Innovation, and Professional Endeavor

The core values are the most important action guidance and guidelines for all Chanjet employees, and also the cornerstone of Chanjet's belief in sustainable development. We adhere to the original aspiration of "friend of users", always adhere to "continuous innovation" and being "professional strivers".

The Group is committed to ensuring that all employees take core values as action guidance and guidelines so that they become the foundation of corporate culture, and the above corporate mission, vision and value are implemented in all business. On the basis of standardised and sound corporate governance structure, comprehensive risk management and effective internal control, the Group has actively implemented our corporate culture through daily operation, human resources policies, employee training and close communication with stakeholders of the business, so as to enable the Group's business to achieve sustainable development in the long term and generate long-term value for Shareholders. During the Reporting Period, the Group actively practiced its corporate culture and planned special activities with various cultural themes according to its strategy and business development needs. It selected outstanding cadres and staff role models who demonstrate corporate culture among all employees, and appointed them as corporate culture officers and culture ambassadors. It also explored meritorious deeds from frontline, and encouraged employees to learn from shining examples; meanwhile, demonstrated distinctive departmental culture through various channels to promote cross-departmental communication and integration. The Group built a multi-level advertising matrix with various online and offline channels in order to promote the implementation of corporate culture. Details of the Group's initiatives relating to the implementation of its corporate culture are also set out in the sections headed "CHAIRMAN'S STATEMENT", "EMPLOYEE AND ORGANIZATION GUARANTEE", "TRAINING PROGRAMS" and "CORPORATE GOVERNANCE REPORT" of this annual report.

Corporate Governance Report (continued)

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules, and requires Directors and Supervisors to deal with securities in accordance with the Model Code. After making specific enquiries by the Company, all Directors and Supervisors have confirmed that they had fully complied with the Model Code during the Reporting Period.

BOARD

The composition of the Board and the relevant information during the Reporting Period and as at the date of this report are set out as follows:

Directors	Age	Position	Term of office
Mr. Wang Wenjing (王文京先生)	60	Non-executive Director, Chairman	From 8 September 2023 to 7 September 2026
Mr. Wu Zhengping (吳政平先生)	60	Non-executive Director	From 8 September 2023 to 7 September 2026
Mr. Yang Yuchun (楊雨春先生)	52	Executive Director, President	From 8 September 2023 to 7 September 2026
Mr. Lau, Chun Fai Douglas (劉俊輝先生)	52	Independent non-executive Director	From 8 September 2023 to 7 September 2026
Ms. Wu Xiaoqing (吳小慶女士)	71	Independent non-executive Director	From 8 September 2023 to 7 September 2026
Mr. Cui Qiang (崔強先生)	45	Independent non-executive Director	From 8 September 2023 to 7 September 2026

The Board currently consists of six members, three of whom are independent non-executive Directors. According to the Articles of Association, the functions and powers of the Board include, amongst others:

- being responsible for convening the general meetings and reporting on work to the general meetings;
- implementing the resolutions of the general meetings;
- determining the business plan and investment proposal of the Company;
- formulating the annual financial budgets and final financial accounts of the Company;
- formulating the profit distribution schemes and loss remedy plans of the Company;
- formulating the plans for increasing or decreasing registered capital and the issuance of corporate bonds or other securities as well as the listing scheme of the Company;

- preparing plans for merger, spin-off, dissolution or transformation of the Company;
- preparing plans for major acquisitions and repurchase of the Shares of the Company;
- determining such matters as the external investments, purchase/sale of assets, asset pledges, external guarantees, entrusting wealth management and connected transactions of the Company within the scope authorized by the general meetings;
- deciding on the Company's internal management structure;
- deciding on the structure of the special committees of the Board, appointing or dismissing the chairman (convenor) of special committees of the Board;
- appointing or dismissing the President, secretary to the Board, company secretary of the Company; based on the nomination by the President, appointing or dismissing senior management including vice president and chief financial officer of the Company and determining their remuneration;
- formulating the basic management system of the Company;
- formulating the amendments to the Articles of Association;
- formulating share incentive schemes of the Company;
- managing the information disclosure of the Company;
- proposing the appointment or replacement of the accounting firm that provides audit services for the Company at the general meeting;
- listening to the work report made by the President and reviewing the work performance by the President;
- considering and approving the provision by the Company of any external guarantee other than those to be approved by the general meeting in accordance with the Articles of Association;
- formulating and reviewing the Company's corporate governance policy and practices;
- reviewing and supervising policies and practices regarding the compliance of laws and regulatory requirements;
- reviewing and supervising the training and continuing occupational development for the Directors and senior management;
- reviewing the Company's compliance with the Corporate Governance Code in the Listing Rules and disclosure in the Corporate Governance Report;

- deciding on other major matters and administrative affairs other than those specified in the laws, administrative regulations, regulations of the competent authorities, listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be determined at the general meeting and execution of other important agreements; and

- performing other powers and duties authorized by the laws, administrative regulations, and regulations of authorities, listing rules of the place(s) where the Company's shares are listed, the Articles of Association and other duties entrusted at the general meeting.

It is the responsibility of the Board to prepare the financial statements for each fiscal year to give a true and fair view of the financial condition of the Company and the results and cash flow during the relevant period. When preparing the financial statements for the year ended 31 December 2024, the Board selected and applied appropriate accounting policies and made prudent, fair and reasonable judgment and estimate to prepare the financial statements on a going concern basis. The Board is responsible for properly maintaining the accounting records of the financial information of the Company and disclosing the same reasonably and accurately at any time.

The Company's management comprises one President, several vice presidents and a chief financial officer. The President is responsible to the Board and shall mainly perform the following functions:

- being in charge of the production, operation and management of the Company and reporting to the Board;

- organizing the implementation of the resolutions of the Board;

- organizing the implementation of the annual business plan and investment program of the Company formulated by the Board;

- preparing plans for the establishment of the internal management structure of the Company;

- preparing plans for the establishment of the branches of the Company;

- preparing basic management systems of the Company;

- formulating specific rules and regulations of the Company;

- proposing the appointment or dismissal of the vice presidents and the chief financial officer of the Company to the Board;

- appointing or dismissing other management personnel other than those required to be appointed or dismissed by the Board;

- determining the salaries, benefits, rewards and punishment for the staff of the Company, and making decisions on the appointment and dismissal of the Company's staff; and

- other functions and powers conferred by the Articles of Association or the Board.

During the Reporting Period, Mr. Wang Wenjing, a non-executive Director, served as Chairman of the Board of the Company and Mr. Yang Yuchun, an executive Director, served as the President. The Chairman and the President are two different positions which are clearly delineated. The Chairman shall not concurrently serve as the President. The responsibilities between the Chairman and the President shall be clearly separated and defined in written form. The Chairman is responsible for managing the operation of the Board while the President is responsible for the business operation of the Company. The Articles of Association sets out in detail the respective responsibilities of the Chairman and the President. Senior management of the Company, other than the Directors and the Supervisors, are responsible for the daily business operation of the Company. Their positions are set out in the section of "Biographies of Directors, Supervisors and Senior Management" in this report.

All Directors are required to declare any direct or indirect interest involved in any matter or transaction to be considered at Board meetings, and the interested Directors shall abstain from the meeting when appropriate.

A total of nine Board meetings were convened during 2024. The Directors' attendance rate is as follows:

Directors	Number of Attendance in Person	Number of Attendance by Proxy	Attendance Rate
Wang Wenjing	9	–	100%
Wu Zhengping	9	–	100%
Yang Yuchun	9	–	100%
Lau, Chun Fai Douglas	9	–	100%
Wu Xiaoqing	9	–	100%
Cui Qiang	9	–	100%

A total of two general meetings were convened during 2024. The Directors' attendance rate is as follows:

Directors	Number of Attendance in Person	Number of Attendance by Proxy	Attendance Rate
Wang Wenjing	2	–	100%
Wu Zhengping	2	–	100%
Yang Yuchun	2	–	100%
Lau, Chun Fai Douglas	2	–	100%
Wu Xiaoqing	2	–	100%
Cui Qiang	2	–	100%

Corporate Governance Report (continued)

During the Reporting Period and up to the date of this report, the Board has been complying with Rule 3.10(1) of the Listing Rules, which requires a minimum of three independent non-executive Directors, Rule 3.10A of the Listing Rules, which requires independent non-executive Directors representing at least one-third of the Board, and Rule 3.10(2) of the Listing Rules, which requires that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

In accordance with the requirements of the Listing Rules, the Company made the following confirmation as to the independence of the independent non-executive Directors: the Company confirms their compliance with the independence requirements as set out in Rule 3.13 of the Listing Rules, and is of the view that all the independent non-executive Directors are independent.

Each of the independent non-executive Directors shall have the same term of office of three years as other Directors, and may be re-appointed upon expiry of the term of office provided that the consecutive terms shall be in compliance with relevant requirements under the relevant laws, regulations or regulatory rules of the place(s) where the Company's shares are listed. Independent non-executive Directors shall not be removed without reasonable ground prior to the expiry of their terms of office. The Company shall make special disclosure for any early removal of any independent non-executive Directors.

Other than their duties in the Company, the Directors, the Supervisors and senior management of the Company do not have any relationship among themselves in financial, business, family or other material aspects.

During the Reporting Period, all Directors of the Company proactively participated in continuous professional training and developed and updated their knowledge and skills in a move to ensure that their contribution to the Board remained completely informed and relevant. The continuous professional training attended by Directors during the Reporting Period is summarized as follows:

	Scope			
Directors	**Laws and regulations**	**Corporate governance**	**Anti-corruption**	**Director's responsibilities/ the Group's business**
Wang Wenjing	√	√	√	√
Wu Zhengping	√	√	√	√
Yang Yuchun	√	√	√	√
Lau, Chun Fai Douglas	√	√	√	√
Wu Xiaoqing	√	√	√	√
Cui Qiang	√	√	√	√

The Company has established the Strategic Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

The Company has established a number of mechanisms to ensure that the Board can obtain independent views and opinions to promote the steady development of the Group. The relevant mechanisms are set out in the Articles of Association, the Working System of Independent Directors (《獨立董事工作制度》) and the Rules of Procedure of the Board (《董事會議事規則》) of the Company, and the Board will review these mechanisms from time to time to ensure their reasonableness and effectiveness.

With regard to the structure, number and composition of the Board, the Company has stipulated the minimum proportion and number of independent non-executive Directors among the members of the Board to ensure an ongoing balance of the composition of executive Directors, non-executive Directors and independent non-executive Directors of the Company, and therefore the Board has maintained a fairly strong independence element in its composition. The Company has assessed the independence, professional qualifications and prior experience of independent non-executive Directors to ensure that independent non-executive Directors have enough talent, vision and opportunities to express influential and independent opinions. In order to ensure the diversity of perspectives of the Board in decision-making, it has also been required that independent non-executive Directors shall not appoint non-independent non-executive Directors to attend meetings on their behalf.

The Company has also developed a security mechanism for Directors to perform their duties, creating favourable conditions for Directors to obtain independent views and opinions. The Company has required Directors to attend meetings in person or by proxy and imposes a limit on the number of times a Director may fail to attend meetings, so as to ensure that they perform their duties. The notice of the Board meeting and the meeting documents shall be served on all Directors and Supervisors in advance, so as to allow time for Directors to understand the contents of the meeting and form independent opinions. To effectively preserve the inclusion of a diverse range of opinions, the secretary to the Board shall, as needed, seek independent and professional advice for Directors regarding the needs of performing their corporate responsibilities. For independent non-executive Directors, the relevant provisions also include the right to information of independent non-executive Directors, the prohibition of dismissal of independent non-executive Directors by the Company without cause, and the granting of appropriate remuneration to independent non-executive Directors by the Company, etc., so as to clear the obstacles for the independent non-executive Directors to provide an independent and objective views.

In addition, independent non-executive Directors play a very important role in matters to be considered or approved by the Board. If there is a significant conflict of interest of a Substantial Shareholder or Director in a matter to be considered by the Board, the Company requires that a Board meeting shall be convened on such matter and that independent non-executive Directors who have no material interest in the matter shall attend the Board meeting and relevant Directors who have an interest shall abstain from voting. To protect the overall interests of the Company, a major connected transaction shall be subject to the approval of independent non-executive Directors before being submitted to the Board for consideration. Independent non-executive Directors may also express their independent opinions to the Board on a number of matters, including the appointment and dismissal of Directors and senior management, their remuneration and external guarantee of the Company, etc.

During the Reporting Period, the Board reviewed the above mechanism relating to the independence of the Board and considered that the Board was able to obtain independent views and opinions due to its balanced structure, the Directors' efficient and transparent deliberation and performance of their duties, the remuneration and guarantee of performance of independent non-executive Directors together with the conflict management mechanism of transactions, and that the implementation of the independence mechanism of the Board was properly implemented and effective.

Strategic Committee

During the Reporting Period and as at the Latest Practicable Date, the Strategic Committee consisted of Mr. Wang Wenjing, a non-executive Director, Mr. Yang Yuchun, an executive Director, and Mr. Cui Qiang, an independent non-executive Director, among whom, Mr. Wang Wenjing was the chairman of the committee.

The primary duties of the Strategic Committee include:

- reviewing and making recommendations to the Board on the plans for strategic development of the Company;
- reviewing and making recommendations to the Board on planning, feasibility studies, external negotiations, due diligence, intent to cooperate and the execution of contracts in relation to new major investment by the Company, in light of the plans for the strategic development of the Company;
- reviewing and making relevant recommendations to the Board on major financing, capital operation and assets management, including the issuance of Shares or corporate bonds of the Company;
- reviewing and making relevant recommendations to the Board on mergers, divisions, liquidation of the Company and other material matters which will affect the development of the Company; and
- monitoring and supervising, and proposing adjustment to as necessary, the implementation of the above matters upon approval by the Board.

One meeting of the Strategic Committee was convened to consider and approve the resolution on the 2024 Work Plan of the Company during the Reporting Period. The attendance rate of the committee members is as follows:

Members	Number of Attendance in Person	Number of Attendance by Proxy	Attendance Rate
Wang Wenjing	1	–	100%
Yang Yuchun	1	–	100%
Cui Qiang	1	–	100%

Audit Committee

During the Reporting Period and as at the Latest Practicable Date, the Audit Committee 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 of the committee.

The primary duties of the Audit Committee include:

- making recommendations to the Board on appointing and replacing external auditors;
- being responsible for the communication between the internal audit department of the Company and external auditors as the representative of the Company and external auditors;
- developing and implementing policy on the provision of non-audit services by external auditors according to work demands;
- reviewing financial information of the Company and its disclosures;
- discussing any queries raised by the independent auditor after reviewing the half-year accounts and auditing the annual accounts of the Company;
- reviewing the Company's financial policies, internal auditing system, internal control and risk management systems and proposing opinions and suggestions on improvement;
- reviewing the following arrangements made by the Company: employees of the Company can raise concerns in confidence about possible improprieties in financial reporting, risk management, internal control or other matters;
- establishing relevant procedures to ensure fair and independent investigation and settlement of complaints in relation to accounting, risk management, internal control, audit or others and ensuring the confidentiality thereof;
- finishing other works assigned by the Board; and
- fulfilling other responsibilities conferred by regulatory institutions including the Hong Kong Stock Exchange and the Securities and Futures Commission of Hong Kong.

The Company has fully complied with the requirements of the Rule 3.21 of the Listing Rules during the Reporting Period.

Corporate Governance Report (continued)

A total of three meetings of the Audit Committee were convened during the Reporting Period. The 2023 Annual Report of the Company, the 2023 Internal Control Review Report of the Company, the 2023 Report on Corporate Risk Assessment of the Company and the audited financial statements for the year ended 31 December 2023 prepared by the Company according to the CASBE as well as the resolutions in relation to the engagement of auditor of the Company on the 2024 financial statements, 2024 interim results announcement and interim report, audit plan for 2024 annual consolidated financial statements and 2024 annual auditor remuneration were considered and approved. The attendance rate of the members is as follows:

Members	Number of Attendance in Person	Number of Attendance by Proxy	Attendance Rate
Lau, Chun Fai Douglas	3	–	100%
Wu Zhengping	3	–	100%
Wu Xiaoqing	3	–	100%

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed and reviewed the matters on, among others, risk management and the internal control, enterprise risk assessment, financial statements and the effectiveness of the internal audit function, including the review of audited annual results and annual report for the year of 2024, on which they had no dissenting opinion.

The Audit Committee has recommended to the Board that Ernst & Young and Ernst & Young Hua Ming LLP be retained as the Company's auditors for the year 2025, subject to the Shareholders' approval at the forthcoming 2024 annual general meeting.

Remuneration and Appraisal Committee

During the Reporting Period and as at the Latest Practicable Date, the Remuneration and Appraisal Committee consisted of Mr. Cui Qiang, an independent non-executive Director, Mr. Yang Yuchun, an executive Director, and Ms. Wu Xiaoqing, an independent non-executive Director, among whom, Mr. Cui Qiang was the chairman of the committee. The Remuneration and Appraisal Committee is mainly responsible for examining the appraisal and remuneration of Directors and senior management and giving its advice and recommendations thereon. The Remuneration and Appraisal Committee has adopted the second model under code provision E.1.2(c) under Part 2 of the Corporate Governance Code (i.e. recommending to the Board on the remuneration packages offered to individual executive Directors and senior management).

The primary duties of the Remuneration and Appraisal Committee include:

- studying and reviewing the remuneration policies, proposals, structure and the procedures for developing remuneration policy for Directors and senior management and making recommendations to the Board on the formulation of official and transparent procedures for determining the remuneration policy;

- examining the proposed remuneration to the management according to the corporate goals and objectives developed by the Board from time to time;

- recommending to the Board on the remuneration packages offered to individual executive Directors and senior management, including non-monetary income, pension and compensation (including compensation payable for loss or termination of office or position);

- making recommendations to the Board concerning remuneration packages offered to non-executive Directors;

- examining the performance of duties of the Directors and senior management of the Company and to appraise their annual performance;

- supervising the implementation of the remuneration system of the Company;

- considering and/or approving matters relating to the share scheme as mentioned in Chapter 17 of the Listing Rules; and

- other matters authorized by the Board.

A total of three meetings of the Remuneration and Appraisal Committee were convened during the Reporting Period. The resolutions in relation to the revision of the remuneration system of senior management of the Company, the remuneration of senior management in 2023 and the remuneration plan for 2024 of the Company, the amendments to the relevant terms of the 2020 Employee Share Ownership Scheme, the Long-term Employee Incentive Scheme, the grant of the incentive shares under the Long-term Employee Incentive Scheme for the year 2024, the unlocking of the third tranche of incentive shares granted under the Employee Share Ownership Scheme (please refer to the section headed "EMPLOYEE SHARE OWNERSHIP SCHEME" under the Report of Directors for details) and the appraisal of the third tranche of bonus under the Long-term Incentive Bonus Scheme (please refer to the section headed "LONG-TERM INCENTIVE BONUS SCHEME" under the Report of Directors for details) were considered and approved. The attendance rate of the members is as follows:

Members	**Number of Attendance in Person**	**Number of Attendance by Proxy**	**Attendance Rate**
Cui Qiang	3	–	100%
Yang Yuchun	3	–	100%
Wu Xiaoqing	3	–	100%

Corporate Governance Report (continued)

Nomination Committee

During the Reporting Period and as at the Latest Practicable Date, the Nomination Committee consisted of Ms. Wu Xiaoqing, an independent non-executive Director, Mr. Wang Wenjing, a non-executive Director, and Mr. Lau, Chun Fai Douglas, an independent non-executive Director, among whom, Ms. Wu Xiaoqing was the chairman of the committee.

The primary duties of the Nomination Committee include:

- considering the criteria and procedures for selecting Directors, the President and other senior management and making recommendations thereon to the Board. Factors to be considered include but not limited to gender, age, culture, educational background, and professional experience;

- advising the Board on the appointment or re-appointment of Directors and the succession plan for Directors, in particular the Chairman and the President, and ensuring that the candidates for Directors have the skills, experience and diverse perspectives required for the operations of the Company;

- examining and making suggestions on the candidates for the President and other senior management of the Company;

- reviewing the structure, size and composition of the Board (including skills, knowledge and experience) at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- monitoring the implementation of the Board diversity policy, to review the policy in due course and to present proposals to the Board on any requisite amendments;

- reviewing the independence of the independent non-executive Directors; and

- other matters authorized by the Board.

The Nomination Committee shall be responsible for the specific implementation of the policy on nominating Directors of the Company. Our Company's directors nomination policy consists of the procedures of nominating Directors, the key criteria and principles to be considered when nominating Directors.

The procedures of nominating Directors are as follows: the Nomination Committee submits a list of candidates for Directors which will then be submitted by the Nomination Committee to the Board for consideration and to the general meeting for approval.

The procedures for reviewing the candidates for Directors include: (1) collecting or requiring relevant departments of the Company to collect and understand information on the occupation, educational background, title, detailed working experience and all part-time experience of the candidates, and preparing written materials accordingly; (2) seeking the opinions of the candidates for Directors and obtaining their written consent; (3) convening meetings of the Nomination Committee to review the candidates' qualifications pursuant to the requirements of Directors, make suggestions and recommend appointments by way of proposals; and (4) carrying out other follow-up works in accordance with the decisions or feedback of the Board.

The Company's key criteria and principles to be considered in nomination of Directors include: (1) considering the criteria and procedures for selecting Directors and making recommendations thereon to the Board. Factors to be considered include but not limited to gender, age, culture, educational background, and professional experience; (2) ensuring that the candidates for Directors have the skills, experience and diverse perspectives required for the operations of the Company; and (3) reviewing the structure, size and composition of the Board (including skills, knowledge and experience) at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

One meeting of the Nomination Committee was convened during the Reporting Period. The resolutions in relation to reviewing the Board Diversity Policy; the appointment of senior management, i.e. the re-designation of Mr. Wang Yunbo from the vice president to the senior vice president of the Company were considered and approved. The attendance rate of the members is as follows:

Members	**Number of Attendance in Person**	**Number of Attendance by Proxy**	**Attendance Rate**
Wu Xiaoqing	1	–	100%
Wang Wenjing	1	–	100%
Lau, Chun Fai Douglas	1	–	100%

Corporate Governance Report (continued)

BOARD AND EMPLOYEE DIVERSITY

BOARD DIVERSITY

The Board adopted the following board diversity policy:

With a view to achieving a sustainable and balanced development, the Company believes increasing diversity of the Board is an essential element in supporting the attainment of its strategic objectives and sustainable development. All the appointments made by the Board will be based on meritocracy, and candidates will be adequately considered with reference to objective criteria, together with the benefit brought to the Board by adoption of board diversity. Selection of Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the specific demand for talents of the various stages in the business development and strategic planning of the Company, and also the merits and contribution to be made by the selected candidates. The composition of the Board (including gender, age and length of service) will be disclosed in the Corporate Governance Report annually. The following table shows the diversity profile of the Board as at 31 December 2024:

<table>
<tr><th rowspan="2">Types of director</th><td colspan="2">Non-executive Director</td><td colspan="2">Executive Director</td><td colspan="2">Independent non-executive Director</td></tr>
<tr><td colspan="2">2</td><td colspan="2">1</td><td colspan="2">3</td></tr>
<tr><th rowspan="2">Gender</th><td colspan="3">Male Director</td><td colspan="3">Female Director</td></tr>
<tr><td colspan="3">5</td><td colspan="3">1</td></tr>
<tr><th rowspan="2">Age group</th><td colspan="2">Aged no more than 50</td><td colspan="2">Aged 51 to 60</td><td colspan="2">Aged equal to or above 61</td></tr>
<tr><td colspan="2">1</td><td colspan="2">4</td><td colspan="2">1</td></tr>
<tr><th rowspan="2">Terms of office</th><td colspan="2">Below 5 years</td><td colspan="2">5 to 9 years</td><td colspan="2">Above 9 years</td></tr>
<tr><td colspan="2">2</td><td colspan="2">1</td><td colspan="2">3</td></tr>
</table>

In order to facilitate the Board diversity, the Company aims to maintain at least one female Director. Also, when considering the composition of the mandatory Board committees (i.e. the Nomination Committee, the Audit Committee and the Remuneration and Appraisal Committee), the Company will strive to maintain at least one female Board member, and the Board will gradually increase the proportion of female Directors by taking the opportunity to identify and recommend suitable successors for Directors. During the Reporting Period and up to the date of this report, there was one female Director on the Board of the Company and up to the date of this report, the female Director is also a member of the mandatory Board committees and serves as the chairman of the Nomination Committee. The Board will make reference to international and local recommended best practices to ensure a proper balance in the gender diversity of the Board, so as to achieve the long-term strategic goal of sustainable and balanced development of the Group.

EMPLOYEE DIVERSITY

As at 31 December 2024, the total number of employees of the Group was 982, including 681 male employees and 301 female employees, which accounted for 69% and 31%, respectively. Senior management consisted of 8 male employees and 5 female employees, which accounted for 61% and 39% respectively. The Group has implemented the employment principle of "openness, fairness and justice", and practiced merit-based recruitment and best-fit talent deployment in the recruitment process without any gender discrimination. The Group will make continuous efforts to improve the representation of female employees with reference to the expectations of Shareholders and the recommended best management, with an aim to achieve a proper balance in gender diversity.

CORPORATE GOVERNANCE FUNCTIONS

During the Reporting Period, the Board had performed the following corporate governance functions:

- formulating and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing the Company's compliance with the Corporate Governance Code in the Listing Rules and disclosure in the Corporate Governance Report.

AUDITOR'S REMUNERATION

Ernst & Young and Ernst & Young Hua Ming LLP were appointed as the international auditor and the PRC auditor of the Company for 2024, respectively. For the year ended 31 December 2024, the service fees charged to the Group by Ernst & Young and Ernst & Young Hua Ming LLP totaled RMB2,062,600, including fees for audit services of RMB1,722,600, and fees for non-audit services (i.e. the negotiated procedures of the interim financial statements) of RMB340,000.

JOINT COMPANY SECRETARIES

Ms. Bao Jie and Dr. Ngai Wai Fung were appointed as joint company secretaries of the Company. Ms. Bao Jie, the secretary to the Board and joint company secretary of the Company, serves as the primary contact person between Dr. Ngai Wai Fung and the Company. During the Reporting Period, Ms. Bao Jie and Dr. Ngai Wai Fung have attended relevant professional trainings for not less than 15 hours.

FINANCIAL REPORTING

The management provides members of the Board with updated financial reporting information on a monthly basis, setting out relevant accounts data, financial position and achievement of operation budget of the Group. This is to ensure Directors have sufficient information and knowledge about the Group's affairs to effectively fulfill their responsibilities and obligations. The Directors acknowledged their responsibility for preparation of financial statements which shall give a true and fair view of the Group's financial position, results of operations and cash flows for the year.

In preparing the financial statements for the Reporting Period, the Directors have selected suitable accounting policies and adopted appropriate accounting standards. Based on judgments and estimates that are prudent and reasonable, the Directors had ensured that the accounts are prepared on the going concern basis. The Directors confirm that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the ability of the Company to continue as a going concern. The statement of auditors about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" in this report.

The Board recognizes the importance of good corporate governance, transparency and its accountability to Shareholders. It shall present a balanced, clear and understandable assessment in annual and interim reports of the Company and other financial disclosures as required to be disclosed under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

RISK MANAGEMENT AND INTERNAL CONTROL

In order to fulfill the relevant regulatory requirements of the place where the Company is listed and strengthen the risk management and internal control management of the Company, the Company has established a range of risk management and internal control management systems, including documents such as "Administrative Measures for Information Disclosure", "Administrative Measures for Connected Transactions", "Administrative System for Financial Reports", "Financial Reimbursement System", "Funds Management System", "Administrative System for Procurement", "Administrative System for Budget", "Administrative Measures for External Investment", "Internal Audit System", "Risk Management System" and "Whistle-blowing Management System", thus establishing the risk management and internal control systems.

The Board shall be responsible for the risk management and internal control systems of the Group, and has the responsibility to review the effectiveness of such systems. Such systems are designed based on the specific needs and risks of the Group, aiming at managing rather than eliminating the risk of failing to meet the business goals, and providing reasonable rather than absolute warranties as to the absence of any material misstatements or losses.

Corporate Governance Report (continued)

The Company implements comprehensive risk management by integrating specific requirements of risk management into daily management and business processes, and has established a risk control matrix for major business processes and designating the personnel responsible for business as the first responsible person for risk management to monitor the implementation of risk response measures. Meanwhile, the Company's management conducts a regular comprehensive assessment of enterprise risks annually, to identify and evaluate the major risks in all aspects of the Company, formulates risk response measures and prepares an assessment report on enterprise risks. The Board and the Audit Committee of the Company will review the risk assessment report, discuss with management on major risks the Company is exposed to, and urge the management to cope with risk.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Company during the Reporting Period according to the Corporate Governance Code. Upon the examination and review for all material aspects of the risk management and internal systems, the Board was of the opinion that the risk management and internal control systems of the Company were effective and adequate. The above review covered all important control aspects of the Company, including financial control, operation control, compliance control, and risk (including fraud and environmental, social and governance risks) management function control. Meanwhile, the Company appointed SHINEWING Risk Services Limited as the independent internal control advisor to review the risk management and internal control in all material aspects of the Company for 2024 and issued the risk management and internal control review report. The report was considered and approved by the Audit Committee and the Board.

The Board shall comprehensively supervise and review the implementation of internal audit of the Company. The Company has set up the audit and supervision department which is responsible for the work of internal audit and performing internal audit function of the Company. The audit and supervision department shall be responsible to and report work to the Audit Committee. The Audit Committee of the Company is responsible for supervising the work of the audit and supervision department and making advice and recommendations on the appraisal and change of the person-in-charge of the audit and supervision department.

In case significant risk management and internal control deficiencies are identified in the course of the review of the above risk management and internal control systems of the Company, the audit and supervision department of the Company will urge responsible person to rectify them within limited time and will report to the Board and the Audit Committee of the results of the rectification upon confirmation of such rectification by the independent internal control advisor.

The Company has formulated the Administrative Measures for Information Disclosure, which has provided guidance on the management, protection and proper disclosure of information that has not already been made to the public. The Directors, Supervisors, management and employees of the Company should strictly comply with the statutory requirement, rules, regulations and in-house inside information requirements of the Company relating to their responsibilities of keeping information confidential.

The Company is not aware of any significant deficiencies in the risk management and internal control of the Company and its subsidiaries.

Corporate Governance Report (continued)

SHAREHOLDERS' RIGHT

As the owners of the Company, Shareholders are entitled to the various rights stipulated by laws, administrative rules and regulations and the Articles of Association. The general meeting is the supreme authority of the Company, through which Shareholders exercise their power. During the Reporting Period, the Company held two general meetings.

The Board and senior management of the Company understand that they are representing the interests of all the Shareholders of the Company and their first priority is to maintain the stable and continuous growth of Shareholders' investment returns in the long run and enhance the competitiveness of the business.

The procedures for Shareholders to convene a general meeting are as follows:

Shareholders severally or jointly holding more than 10% of Shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting or class meeting upon signing one or several written requests with the same content and format, and stating the subject of the meeting. If the Board agrees to convene the extraordinary general meeting or class meeting, it shall issue a notice of general meeting within 5 days upon the decision is made by the Board. If the Board disagrees to convene the extraordinary general meeting or class meeting, or does not reply within 10 days upon receipt of the proposal, Shareholders severally or jointly holding more than 10% of the Shares of the Company are entitled to request the Supervisory Committee in writing to hold an extraordinary general meeting or class meeting. If the Supervisory Committee agrees to convene the extraordinary general meeting or class meeting, it shall issue a notice of general meeting within 5 days upon receipt of the proposal. If the Supervisory Committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the Supervisory Committee not convening and not holding the general meeting. After more than 90 consecutive days the Shareholders who severally or jointly hold more than 10% of the Shares of the Company may convene and hold the meeting themselves.

The procedures for proposing suggestions by relevant Shareholders at the general meeting are as follows:

Under the Company Law, Shareholder(s) severally or jointly holding more than 1% Shares of the Company may submit written provisional proposals through the Email as set out in the section headed "Corporate Information" of this annual report to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other Shareholders within 2 days upon receipt of such proposals and announce the contents of provisional proposals.

The procedures for enquiry from Shareholders to the Board are as follows:

Shareholders may make enquiries to the Board through contact information for investors set out in the section headed "Corporate Information" of this annual report.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

During the Reporting Period, the Company had highly valued investor relations and communicated with its investors and Shareholders in a pro-active, honest and open manner through a number of formal channels including general meetings, results teleconference, roadshows, in-house visits for investors and by way of telephone and emails for inquiry. The Board has formulated shareholders communications policy to ensure investors and Shareholders to access the public information of the Company that is comprehensive, identical and easy to understand in due course. The main channels for Shareholders to communicate with the Company are as follows:

1. Shareholders' Enquiries

1.1 Shareholders may direct their questions about their shareholdings to the Company's share registrar.

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2862 8555

Fax: (852) 2865 0990

1.2 Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

1.3 Shareholders and the investment community shall be provided with the contact information (including addresses, telephone number and email addresses) of the Company in order to enable them to make any query in respect of the Company.

Securities Department of Chanjet Information Technology Company Limited

Address: Floor 3, Building 3, Yard 9, Yongfeng Road, Haidian District, Beijing, the PRC

Tel: (8610) 6243 4214

Email: ir@chanjet.com

2. Corporate Communication*

2.1 Corporate communication will be provided to Shareholders in both English and Chinese versions to facilitate Shareholders' understanding.

2.2 Subject to the Listing Rules, the Company may choose to send or provide corporate communication to the Shareholders of the Company by electronic means or by publishing information on the websites of the Company and the Hong Kong Stock Exchange, in lieu of sending corporate communication to Shareholders by hand or by postage prepaid mail.

* "Corporate Communication" refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including, but not limited to, the annual report, interim report, notice of meeting, circular and proxy form.

3. Corporate Website

3.1 Information such as announcements, notices of meetings and circulars released by the Company is available on the HKEXnews website (www.hkexnews.hk) of the Hong Kong Stock Exchange.

3.2 Information released by the Company to the Hong Kong Stock Exchange is also posted on the dedicated "Investor Relations" section of the Company's website (www.chanjet.com) immediately thereafter.

4. Shareholders' Meetings

4.1 Relevant Shareholders may propose to convene a general meeting in accordance with the procedures stipulated in the Articles of Association.

4.2 Relevant Shareholders may submit proposals to the general meeting in accordance with the procedures stipulated in the Articles of Association.

4.3 Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

4.4 Appropriate arrangements for the annual general meetings shall be in place to encourage Shareholders' participation.

4.5 The Company will monitor the process of the general meeting and, if necessary, follow the statutory procedures to make changes in accordance with the Articles of Association and relevant laws and regulations to ensure that Shareholders' needs are best served.

4.6 Board members, in particular, the chairmen of each committee under the Board, major senior management and external auditors shall attend annual general meetings to answer Shareholders' questions.

4.7 Shareholders are encouraged to attend Shareholders' activities organised by the Company so as to keep abreast of the latest information of the Company.

5. **Communications with the Investment Market**

5.1 The Company maintains communications with Shareholders and investors through analyst briefings, investor meetings and performance roadshows, and actively responds to inquiries from Shareholders and investors.

5.2 The Directors and employees of the Company shall comply with the Listing Rules and the Company's information disclosure requirements when contacting or communicating with investors, analysts, media or other relevant external parties.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the shareholders communications policy and considered that the shareholders communications policy of the Company had been properly implemented and effective after taking into account the actual situation of various existing shareholders' communication channels and Shareholders' participation in communication.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Company did not make any amendments to the Articles of Association.

Independent Auditor's Report

To the shareholders of Chanjet Information Technology Company Limited
(Established in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Chanjet Information Technology Company Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 99 to 191, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Professional Accountants* (the "**Code**") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Capitalisation of development costs	
Capitalised development costs, included in the intangible assets, amounted to RMB18,143,000 for the year ended 31 December 2024. Development costs mainly comprised internal labour costs. The Company capitalises eligible development costs if the capitalisation criteria as described in IAS 38 *Intangible Assets* are met. The assessment of whether such cost is eligible for capitalisation requires significant judgement. The accounting policies and disclosures for the capitalised development costs are included in note 2.4, 3 and note 15 to the financial statements	Amongst our audit procedures, we assessed the design and operating effectiveness of the controls over the capitalisation of development costs. We also assessed the eligibility of the development costs for capitalisation, including assessing whether the capitalisation criteria as described in IAS 38 were met, obtaining a schedule of capitalised development cost by nature and checking the supporting evidence. In relation to the internal labour costs, we evaluated the labour costs capitalised during the year by obtaining the relevant staff list and the basis of division of hours, and considering whether they are consistent with the originally approved budget. We also examined whether there were any capitalised labour costs occurred from departments other than the research and development department based on a sample basis testing. We also assessed whether the disclosures in the financial statements met the requirements of the financial reporting framework applicable to the Group.

Independent Auditor's Report (continued)

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tsang Pang Sum Joe.

Ernst & Young
Certified Public Accountants
Hong Kong
27 March 2025

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	959,273	800,621
Cost of sales and services provided	6	(267,226)	(262,022)
Gross profit		692,047	538,599
Other income and gains, net	5	52,962	136,398
Research and development costs	6	(210,844)	(247,340)
Selling and distribution expenses		(408,008)	(335,535)
Administrative expenses		(82,893)	(67,943)
Impairment losses on financial assets		(3,283)	(628)
Other expenses		(391)	(592)
Finance costs	7	(425)	(989)
Share of loss of an associate	16	(5,171)	(274)
Profit before tax	6	33,994	21,696
Income tax expense	10	(530)	(5,820)
Profit for the year		33,464	15,876
Attributable to:			
Owners of the parent	12	33,464	15,876
Earnings per share attributable to ordinary equity holders of the parent			
Basic (RMB cents)	12	10.4	5.0
Diluted (RMB cents)	12	10.4	5.0

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 *RMB'000*	2023 *RMB'000*
Profit for the year	**33,464**	15,876
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**30**	38
Other comprehensive income for the year, net of tax	**30**	38
Total comprehensive income for the year	**33,494**	15,914
Attributable to:		
Owners of the parent	**33,494**	15,914

Consolidated Statement of Financial Position

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment	13	**1,746**	3,346
Right-of-use assets	14	**2,855**	6,766
Intangible assets	15	**18,898**	985
Investment in an associate	16	**30,111**	16,002
Equity investments at fair value through profit or loss	17	**60,924**	63,310
Deferred tax assets	27	**12,009**	12,533
Prepayments, other receivables and other assets	20	**74,631**	65,122
Cash and bank balances	22	**325,059**	150,712
Total non-current assets		**526,233**	318,776
Current assets			
Inventories	18	**696**	954
Trade and bills receivables	19	**59,187**	57,076
Prepayments, other receivables and other assets	20	**174,574**	168,868
Financial assets at fair value through profit or loss	21	**–**	153,055
Cash and bank balances	22	**933,972**	886,853
Total current assets		**1,168,429**	1,266,806
Current liabilities			
Trade payables	23	**9,888**	14,012
Contract liabilities	24	**455,692**	402,134
Other payables and accruals	25	**136,823**	130,100
Lease liabilities	14	**1,494**	6,546
Total current liabilities		**603,897**	552,792
Net current assets		**564,532**	714,014
Total assets less current liabilities		**1,090,765**	1,032,790

Consolidated Statement of Financial Position (continued)

31 December 2024

	Notes	**31 December 2024** *RMB'000*	31 December 2023 *RMB'000*
Non-current liabilities			
Lease liabilities	14	**924**	218
Contract liabilities	24	**186,568**	145,924
Long-term liabilities	26	**–**	16,990
Total non-current liabilities		**187,492**	163,132
Net assets		**903,273**	869,658
Equity			
Equity attributable to owners of the parent			
Issued capital	28	**325,772**	325,772
Treasury shares held under the employee trust benefit scheme		**(28,519)**	(28,519)
Reserves	30	**606,020**	572,405
Total equity		**903,273**	869,658

Wang Wenjing
Director

Yang Yuchun
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to owners of the parent								
	Issued capital	Capital reserve	Statutory reserve	Treasury shares held under the employee trust benefit scheme and employee share ownership scheme (i)	Merger reserve	Share-based payment reserve (ii)	Exchange fluctuation reserve	Retained profits	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	325,772	752,786	441	(113,228)	(4)	8,634	1,836	(263,924)	712,313
Profit for the year	–	–	–	–	–	–	–	15,876	15,876
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	–	–	38	–	38
Total comprehensive income for the year	–	–	–	–	–	–	38	15,876	15,914
Shares vested under the employee share ownership scheme *(note 29)*	–	647	–	–	–	(647)	–	–	–
Rearrangement of shares purchased for employee share ownership scheme (i)	–	56,472	–	84,709	–	–	–	–	141,181
Share-based payments *(note 29)*	–	–	–	–	–	250	–	–	250
At 31 December 2023	325,772	809,905*	441*	(28,519)	(4)*	8,237*	1,874*	(248,048)*	869,658

Consolidated Statement of Changes in Equity (continued)

Year ended 31 December 2024

	Attributable to owners of the parent								
	Issued capital	Capital reserve	Statutory reserve	Treasury shares held under the employee trust benefit scheme (i)	Merger reserve	Share-based payment reserve (ii)	Exchange fluctuation reserve	Retained profits	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	325,772	809,905*	441*	(28,519)	(4)*	8,237*	1,874*	(248,048)*	869,658
Profit for the year	–	–	–	–	–	–	–	33,464	33,464
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	–	–	30	–	30
Total comprehensive income for the year	–	–	–	–	–	–	30	33,464	33,494
Shares vested under the employee share ownership scheme *(note 29)*	–	498	–	–	–	(498)	–	–	–
Share-based payments *(note 29)*	–	–	–	–	–	121	–	–	121
At 31 December 2024	325,772	810,403*	441*	(28,519)	(4)*	7,860*	1,904*	(214,584)*	903,273

* These reserve accounts comprise the consolidated reserves of RMB606,020,000 (2023: RMB572,405,000) in the consolidated statement of financial position.

Notes:

(i) Treasury shares held under the employee trust benefit scheme (the "**Employee Trust Benefit Scheme**") represent the shares held by the trustees for the implementation of the Employee Trust Benefit Scheme which Chanjet Information Technology Company Limited (the "**Company**") entrusted the trustees to successively purchase from domestic shareholders or open market. Treasury shares held under the employee share ownership scheme (the "**Employee Share Ownership Scheme**") represent the shares held by the limited partnerships for the implementation of the Employee Share Ownership Scheme. On 30 March 2023, Yonyou Up Information Technology Co., Ltd ("**Yonyou Up**") (a fellow subsidiary of the Company) issued a confirmation letter to agree that before domestic shares can be traded publicly, it shall purchase as the transferee all shares to be transferred by the shareholding platform under the Employee Share Ownership Scheme when unlocked incentive shares are redeemed and incentive shares which have not been unlocked are exited.

(ii) The share-based payment reserve represents the cost of equity-settled transactions under the schemes, which are described in note 29 to the financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Operating activities			
Profit before tax		**33,994**	21,696
Adjustments for:			
Finance costs	7	**425**	989
Exchange gains, net	5/6	**(1,876)**	(1,189)
Share of loss of an associate	16	**5,171**	274
Interest income	5	**(25,906)**	(25,212)
Fair value gains, net	5	**(1,278)**	(40,179)
Share-based payment expense	6/29	**121**	250
Depreciation of property, plant and equipment	6/13	**2,432**	3,927
Depreciation of right-of-use assets	6/14	**7,248**	7,057
Amortisation of intangible assets	6/15	**235**	4,643
Gains on disposal of right-of-use assets		**(21)**	(4)
Gains on disposal of property, plant and equipment		**(8)**	(16)
Others		**–**	1,384
Gain on disposal of the Finance & Taxation Practical Skills Training Product and Service Business	5/6	**–**	(43,755)
Impairment of prepayments, other receivables and other assets	20	**573**	72
Impairment of trade receivables	19	**2,710**	556
		23,820	(69,507)
Decrease/(increase) in inventories		**258**	(139)
Increase in trade and bills receivables		**(4,821)**	(12,259)
Increase in prepayments, other receivables, other assets and interest receivables		**(13,895)**	(20,067)
Decrease in trade payables		**(4,124)**	(6,062)
Increase in contract liabilities		**94,202**	106,586
Increase/(decrease) in other payables and accruals		**7,328**	(22,929)
Decrease in long-term liabilities		**(17,199)**	(22,432)
Cash generated from/(used in) operations		**85,569**	(46,809)
Interest received		**5,733**	4,767
Income taxes paid		**(6)**	(6)
Net cash flows from/(used in) operating activities		**91,296**	(42,048)

Consolidated Statement of Cash Flows (continued)

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Investing activities			
Purchases of items of property, plant and equipment		**(1,064)**	(790)
Proceeds from disposal of items of property, plant and equipment		**161**	263
Proceeds from disposal of the Finance & Taxation Practical Skills Training Product and Service Business		**–**	43,800
Addition of intangible assets		**(18,069)**	(321)
Placement of non-pledged time deposits with original maturity of more than three months when acquired		**(503,785)**	(7,671)
Addition to investment in an associate		**(19,280)**	–
Interest on non-pledged time deposits with original maturity more than three months when acquired		**8,970**	45,672
Purchases of financial investments		**–**	(200,000)
Proceeds from disposal of financial investments		**150,000**	50,000
Gains on financial investments		**4,459**	345
Repayment of equity investments at fair value through profit or loss		**50**	3,500
Others		**–**	(490)
Net cash flows used in investing activities		**(378,558)**	(65,692)
Financing activities			
Principal portion of lease payments		**(7,662)**	(7,003)
Interest paid on lease payments		**(216)**	(429)
Net cash flows used in financing activities		**(7,878)**	(7,432)
Net decrease in cash and cash equivalents		**(295,140)**	(115,172)
Cash and cash equivalents at the beginning of year		**785,789**	899,740
Effect of foreign exchange rate changes, net		**1,910**	1,221
Cash and cash equivalents at the end of year		**492,559**	785,789
Analysis of balances of cash and cash equivalents			
Cash and bank balances as stated in the statement of financial position	22	**933,972**	886,853
Non-pledged time deposits with original maturity of more than three months when acquired	22	**(423,785)**	(90,000)
Unrestricted interest receivables	22	**(17,628)**	(11,064)
Cash and cash equivalents as stated in the statement of cash flows		**492,559**	785,789

1. CORPORATE AND GROUP INFORMATION

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 year, 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; and 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 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:

(a) The paid-in capital of Chanjet U.S. as at 31 December 2024 was USD10,300,000.

(b) The paid-in capital of Chanjet Yunhui as at 31 December 2024 was RMB10,000,000.

(c) The paid-in capital of Chanjet Yunzhi as at 31 December 2024 was RMB3,000,000.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments and wealth management products at fair value through profit or loss. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies and disclosures

The Group has adopted following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial information.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective International Financial Reporting Standards Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective International Financial Reporting Standards Accounting Standards (continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

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. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective International Financial Reporting Standards Accounting Standards (continued)

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Motor vehicles	16.2%
Office equipment, furniture and fittings	20.0%-33.3%
Leasehold improvements	33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software copyrights and licences

Purchased software copyrights and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products of five years, commencing from the date when the products are put into commercial production.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office buildings	1-3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office buildings and other equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of other equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and an amount due to the ultimate holding company.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sales of products

The Group's contracts for sales of software commonly involve the delivery of software as well as post-contract support services ("**PCS**"). Software is a right to use license because the software has standalone functionality and the customer can use the software as it is available at a point in time. Licenses are typically delivered by providing the customer an activation code with access to download the software. Contracts for bundled sales of software and PCS are comprised of two performance obligations because the promises to transfer the software and provide PCS are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative standalone selling prices of the software and PCS. Revenue from the sales of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the software while revenue from PCS is recognised over time.

(b) Rendering of services

The Group provides cloud services. Revenue from cloud services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue on the basis of the service period expended relative to the total service period to complete the service.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Share-based payments

The Group operates an employee trust benefit scheme and an employee share ownership scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 37 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of treasury shares acquired for the schemes is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Other employee benefits

Pension scheme

The employees of the Company and its subsidiary which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government, which is a defined contribution plan. The Company and its subsidiary are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The employee of Chanjet U.S. participates in the applicable defined contribution plan in accordance with relevant local laws and regulations. Chanjet U.S. is required to contribute a certain percentage of their payroll costs to the defined contribution plan. The contributions are charged to profit or loss as they become payable in accordance with the rules of the defined contribution plan.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 11 to the financial statements.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of an overseas subsidiary are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of an overseas subsidiary which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB135,182,000. Further details on deferred taxes are disclosed in note 27 to the financial statements.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as the Group that does not enter into financing transactions). The Group estimates the IBR using observable inputs (such as market interest rates) when available.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs to disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit, and choose a suitable discount rate in order to calculate the present value of those cash flows.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2024, the best estimate of the carrying amount of capitalised development costs was RMB18,143,000 (2023: Nil).

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 36 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2024 was RMB60,924,000 (2023: RMB63,310,000). Further details are included in note 17 to the financial statements.

Useful life of an intangible asset

The useful life of software is estimated based on historical experience, which includes the actual useful lives of similar assets and changes in technology.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield and making assumptions about them. Continuous estimation is required for the calculation of the cumulative share-based payment cost at each reporting date until vesting, including estimate of the number of incentive shares that will vest. Details of share-based payments are contained in note 29 to the financial statements.

4. 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 year, including sales to a group of entities which are known to be under common control with any customer, no major customer information in accordance with IFRS 8 *Operating Segments* is presented.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Revenue from contracts with customers		
Sale of products	**249,082**	215,954
Rendering of services	**707,992**	582,607
Sale of purchased goods	**2,199**	2,060
Total	**959,273**	800,621

Notes to Financial Statements (continued)

31 December 2024

5. REVENUE, OTHER INCOME AND GAINS, NET (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Sale of products	**249,082**	215,954
Rendering of services	**707,992**	582,607
Sale of purchased goods	**2,199**	2,060
Total revenue from contracts with customers	**959,273**	800,621
Geographical market		
Mainland China	**959,071**	800,621
Other countries/regions	**202**	–
Total revenue from contracts with customers	**959,273**	800,621
Timing of revenue recognition		
Goods/services transferred at a point in time	**274,683**	290,183
Services transferred over time	**684,590**	510,438
Total revenue from contracts with customers	**959,273**	800,621

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
External customers	**959,273**	800,621
Total revenue from contracts with customers	**959,273**	800,621

5. REVENUE, OTHER INCOME AND GAINS, NET (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Rendering of services	**361,335**	283,099

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of products and payment in advance is normally required. No contract provides customers with a right of return which gives rise to variable consideration subject to constraint.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

As at 31 December 2024, the amount of contract liabilities included in the current portion is approximately RMB455,692,000 (2023: RMB402,134,000). The amounts expected to be recognised as revenue within one year are affected when the end customer starts to use.

5. REVENUE, OTHER INCOME AND GAINS, NET (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

Rendering of services (continued)

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

	2024	2023
	RMB'000	*RMB'000*
Other income		
Value-added tax refunds	**21,113**	20,190
Additional deduction of input value-added tax	**–**	862
Government grants	**815**	4,335
Interest income	**25,906**	25,212
Others	**147**	38
Total other income	**47,981**	50,637
Gains, net		
Fair value gains, net:		
Equity investments and wealth management products at fair value through profit or loss *(note 1)*	**1,278**	40,179
Gain on disposal of the Finance & Taxation Practical Skills Training Product and Service Business *(note 2)*	**–**	43,755
Exchange gains, net	**1,876**	1,189
Others	**1,827**	638
Total gains, net	**4,981**	85,761
Total other income and gains, net	**52,962**	136,398

Notes:

(1) Further details of equity investments and wealth management products at fair value through profit or loss are set out in notes 17 and 21 to the financial statements.

(2) Further details of the gain on disposal of the Finance & Taxation Practical Skills Training Product and Service Business are set out in note 34 (a) transactions with related parties to the financial statements.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Notes	2024 RMB'000	2023 RMB'000
Cost of products sold		**765**	1,069
Cost of services provided		**265,184**	259,396
Cost of purchased goods sold		**1,277**	1,557
Cost of sales and services provided		**267,226**	262,022
Depreciation of property, plant and equipment	13	**2,432**	3,927
Depreciation of right-of-use assets	14	**7,248**	7,057
Amortisation of intangible assets *(note 1)*	15	**235**	4,643
Lease payments not included in the measurement of lease liabilities	14	**2,194**	2,271
Research and development costs *(note 2)*		**210,844**	247,340
Auditor's remuneration *(note 3)*		**2,063**	2,044
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):			
Wages and salaries		**405,565**	427,287
Equity-settled share-based payment expense		**121**	250
Pension scheme contributions *(note 4)*		**39,838**	43,161
Less: amount capitalised		**(18,064)**	–
Total		**427,460**	470,698
Foreign exchange differences, net		**(1,876)**	(1,189)
Impairment of financial assets		**3,283**	628
Fair value gains, net:			
Equity investments and wealth management products at fair value through profit or loss	17/21	**(1,278)**	(40,179)
Gain on disposal of the Finance & Taxation Practical Skills Training Product and Service Business		**–**	(43,755)

6. PROFIT BEFORE TAX (continued)

Notes:

(1) During the year ended 31 December 2024, amortisation of intangible assets of approximately RMB20,000 (2023: RMB4,206,000) was included in "Cost of sales and services provided" in the consolidated statement of profit or loss.

(2) During the year ended 31 December 2024, research and development costs of approximately RMB190,624,000 (2023: RMB229,261,000) were included in employee benefit expenses.

(3) During the year ended 31 December 2024, the auditor's remuneration includes other professional service fees in addition to audit service fees.

(4) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**216**	429
Others	**209**	560
Total	**425**	989

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Fees[1]	610	610
Other emoluments:		
Salaries, allowances and benefits in kind	2,122	2,127
Performance related bonuses	2,222	2,650
Social security contributions other than pension[2]	264	256
Equity-settled share-based payment expense	12	24
Pension scheme contributions[3]	188	181
Subtotal	4,808	5,238
Total	5,418	5,848

1 Directors and supervisors, except for independent non-executive directors and independent supervisors, did not receive any remuneration for their services in the respective capacities as directors and supervisors. During the years ended 31 December 2024 and 2023, no remuneration was paid by the Group to any directors, supervisors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

2 The social security contributions other than pension represented the Group's statutory contributions directly to the PRC government, and are determined based on a certain percentage of the salaries of the directors, supervisors and the chief executive.

3 The pension scheme contributions represented the Group's statutory contributions to a defined contribution pension scheme organised by the PRC government, and are determined based on a certain percentage of the salaries of the directors, supervisors and the chief executive.

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

On 28 December 2020, a director was granted incentive shares, in respect of his service to the Group, under the employee share ownership scheme of the Company. Further details are set out in note 29 to the financial statements. The fair value of such incentive shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the reporting period is included in the above directors' and chief executive's remuneration disclosures.

As of 31 December 2024 and at any time during the reporting period, save as set out in note 34 to the financial statements, there were no material interests of directors or supervisors in the transactions, arrangements or contracts entered into by the Company or the Group.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024	2023
	RMB'000	*RMB'000*
Mr. Lau, Chun Fai Douglas	**150**	150
Ms. Wu Xiaoqing	**150**	150
Mr. Chen, Kevin Chien-wen[4]	**–**	100
Mr. Cui Qiang[4]	**150**	50
Total	**450**	450

4 Mr. Chen, Kevin Chien-wen has retired as an independent non-executive director, and Mr. Cui Qiang has been appointed as an independent non-executive director since 8 September 2023 in place of Mr. Chen, Kevin Chien-wen.

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors

The Company's board of directors ("**Board**") was comprised of one (2023: one) executive director whose name was Mr. Yang Yuchun and two (2023: two) non-executive directors whose names were Mr. Wang Wenjing and Mr. Wu Zhengping. Directors' and chief executive's remuneration for the year are as follows:

2024	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Social security contributions other than pension[2]	Equity-settled share-based payment expense	Pension scheme contributions[3]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:							
Mr. Wang Wenjing	–	–	–	–	–	–	–
Mr. Wu Zhengping	–	–	–	–	–	–	–
Executive director:							
Mr. Yang Yuchun	–	1,506	2,041	93	12	66	3,718
Total	–	1,506	2,041	93	12	66	3,718

2023	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Social security contributions other than pension[2]	Equity-settled share-based payment expense	Pension scheme contributions[3]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:							
Mr. Wang Wenjing	–	–	–	–	–	–	–
Mr. Wu Zhengping	–	–	–	–	–	–	–
Executive director:							
Mr. Yang Yuchun	–	1,506	2,451	89	24	63	4,133
Total	–	1,506	2,451	89	24	63	4,133

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

In addition, supplementary information for the remuneration of executive directors and non-executive directors set out in the 2017 and 2018 Annual Reports are as follows:

In the year of 2018, the Board was comprised of two (2017: two) executive directors whose names were Mr. Zeng Zhiyong and Mr. Yang Yuchun and two (2017: two) non-executive directors whose names were Mr. Wang Wenjing and Mr. Wu Zhengping. Mr. Zeng Zhiyong resigned as the chief executive of the Company on 9 January 2017 and Mr. Yang Yuchun took over as the chief executive of the Company with effect from 9 January 2017. Supplementary information for Directors' and chief executive's remuneration for the years 2018 and 2017 are as follows:

2018	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Social security contributions other than pension[2]	Pension scheme contributions[3]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Wang Wenjing	–	–	–	–	–	–
Mr. Wu Zhengping	–	–	–	–	–	–
Executive directors:						
Mr. Zeng Zhiyong	–	1,218	396	92	108	1,814
Mr. Yang Yuchun	–	1,047	390	69	55	1,561
Total	–	2,265	786	161	163	3,375

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

2017	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Social security contributions other than pension[2]	Pension scheme contributions[3]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Wang Wenjing	–	–	–	–	–	–
Mr. Wu Zhengping	–	–	–	–	–	–
Executive directors:						
Mr. Zeng Zhiyong	–	1,122	328	129	104	1,683
Mr. Yang Yuchun	–	787	221	63	50	1,121
Total	–	1,909	549	192	154	2,804

During the year ended 31 December 2018, Mr. Zeng Zhiyong and Mr. Yang Yuchun were granted trust benefit units in respect of their services to the Group under the Employee Trust Benefit Scheme of the Company. The fair value of such trust benefit units, which has been recognised in financial statements over the vesting period, was determined as at the date of grant. The amounts included in the financial statements for the share-based payment expense relating to the trust benefit units granted to Mr. Zeng Zhiyong and Mr. Yang Yuchun were approximately RMB2,386,000 and RMB4,821,000, respectively.

During the year ended 31 December 2017, the amounts included in the financial statements for the share based payment expense relating to the trust benefit units granted to Mr. Zeng Zhiyong and Mr. Yang Yuchun were approximately RMB7,891,000 and RMB4,017,000, respectively.

The aforementioned materials are supplementary to the 2017 and 2018 Annual Reports and do not affect the other information contained within those reports. Apart from the disclosures mentioned above, the remaining disclosure of the Annual Reports remains unchanged.

(c) Chief executive

Mr. Yang Yuchun was also the chief executive of the Company.

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(d) Supervisors

2024	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Social security contributions other than pension[2]	Pension scheme contributions[3]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Shareholder representative supervisors:						
Mr. Guo Xinping	–	–	–	–	–	–
Mr. Zhang Peilin[5]	–	–	–	–	–	–
Mr. Li Weimin[5]	–	–	–	–	–	–
Independent supervisors:						
Mr. Ruan Guangli	80	–	–	–	–	80
Mr. Ma Yongyi	80	–	–	–	–	80
Employee representative supervisors (as the employees of the Company):						
Ms. Xia Yuhan	–	332	115	91	65	603
Ms. Ren Jie	–	284	66	80	57	487
Total	160	616	181	171	122	1,250

2023	Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Social security contributions other than pension[2]	Pension scheme contributions[3]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Shareholder representative supervisors:						
Mr. Guo Xinping	–	–	–	–	–	–
Mr. Zhang Peilin[5]	–	–	–	–	–	–
Independent supervisors:						
Mr. Ruan Guangli	80	–	–	–	–	80
Mr. Ma Yongyi	80	–	–	–	–	80
Employee representative supervisors (as the employees of the Company):						
Ms. Xia Yuhan	–	332	133	85	60	610
Ms. Ren Jie	–	289	66	82	58	495
Total	160	621	199	167	118	1,265

5 Mr. Zhang Peilin retired from the Company on 1 November 2024. As approved by the shareholders' meeting of the Company, Mr. Li Weimin has been appointed as a shareholder representative supervisor of the Company since 29 November 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2023: one), Mr. Yang Yuchun, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2023: four) highest paid employees who are not a director, a supervisor, or chief executive of the Company are as follows:

	2024	2023
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**3,763**	3,913
Performance-related bonuses	**2,940**	5,038
Social security contributions other than pension	**374**	355
Equity-settled share-based payment expense	**18**	39
Pension scheme contributions	**266**	253
Total	**7,361**	9,598

During the years ended 31 December 2024 and 2023, no remuneration was paid by the Group as an inducement to the five highest paid individuals for joining or upon joining the Group. During the years ended 31 December 2024 and 2023, no remuneration was paid by the Group as a compensation to the five highest paid individuals for loss of office. None of the five highest paid individuals has waived any remuneration during the years ended 31 December 2024 and 2023.

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
HK$1,500,001 to HK$2,000,000	**2**	–
HK$2,000,001 to HK$2,500,000	**2**	1
HK$2,500,001 to HK$3,000,000	**–**	2
HK$3,000,001 to HK$3,500,000	**–**	1
Total	**4**	4

On 28 December 2020, incentive shares were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details are included in the disclosures in note 29 to the financial statements. The fair value of such incentive shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the reporting period is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

	2024 RMB'000	2023 RMB'000
Current tax	6	6
Deferred tax	524	5,814
Total tax charge for the year	530	5,820

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 subsidiary which is in Mainland China for the years ended 31 December 2024 and 2023.

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 years ended 31 December 2024 and 2023.

The subsidiary incorporated in the United States was subject to income tax at the rate of 21% for the years ended 31 December 2024 and 2023.

10. INCOME TAX (continued)

A reconciliation of the income tax expense applicable to profit/(loss) before tax at the respective applicable rates for the Group to the income tax charge at the effective tax rate is as follows:

2024	Mainland China		USA		Total	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit/(loss) before tax	34,283		(289)		33,994	
Tax at the applicable tax rate	8,571	25.0	(61)	21.0	8,510	25.0
Effect of different income tax rates *(note 1)*	(349)	(1.0)	–	–	(349)	(1.0)
Effect of tax incentives *(note 2)*	(40,749)	(118.9)	–	–	(40,749)	(119.9)
Loss attributable to an associate	1,293	3.8	–	–	1,293	3.8
Expenses not deductible for tax *(note 3)*	7,923	23.1	6	(2.1)	7,929	23.3
Tax losses and deductible temporary differences not recognised	23,835	69.5	61	(21.0)	23,896	70.3
Tax charge at the Group's effective rate	524	1.5	6	(2.1)	530	1.6

2023	Mainland China		USA		Total	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit/(loss) before tax	21,915		(219)		21,696	
Tax at the applicable tax rate	5,479	25.0	(46)	21.0	5,433	25.0
Effect of different income tax rates *(note 1)*	(3,878)	(17.7)	–	–	(3,878)	(17.9)
Effect of tax incentives *(note 2)*	(52,500)	(239.6)	–	–	(52,500)	(242.0)
Loss attributable to an associate	68	0.3	–	–	68	0.3
Expenses not deductible for tax *(note 3)*	10,875	49.6	6	(2.7)	10,881	50.2
Tax losses and deductible temporary differences not recognised	45,770	208.9	46	(21.0)	45,816	211.2
Tax charge at the Group's effective rate	5,814	26.5	6	(2.7)	5,820	26.8

10. INCOME TAX (continued)

Notes:

(1) The effect of different income tax rates represented the reduced amount of tax payable due to income tax exemption in the year. The Company was subject to a 15% income tax rate for the years ended 31 December 2024 and 2023.

(2) The effect of tax incentives represented income tax benefits on research and development expenditure.

High-technology enterprises were also entitled to deduct qualifying research and development expenses from taxable profits. During the years of 2024 and 2023, the Company was entitled to an additional 100% deduction of research and development expenditure for tax declaration.

(3) The expenses not deductible for tax mainly comprised entertainment expenses exceeding the deductible limit and non-deductible share-based payment expenses and other non-qualified deductible expenses.

The share of tax attributable to an associate amounting to RMB1,293,000 (2023: RMB68,000) is included in "Share of loss of an associate" in the consolidated statement of profit or loss.

11. DIVIDENDS

The Board did not recommend the distribution of any final dividend for the year ended 31 December 2024 (2023: Nil).

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 320,427,005 (2023: 318,525,725) outstanding during the year, as adjusted to reflect the target shares purchased by the trustees and target shares vested under the Employee Trust Benefit Scheme.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares, which includes the weighted average number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculation	**33,464**	15,876
Adjusted profit attributable to ordinary equity holders of the parent	**33,464**	15,876

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**320,427,005#**	318,525,725
Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation	**320,427,005#**	318,525,725

The weighted average number of shares was after taking into account the effect of treasury shares.

13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2024	**14,349**	**1,108**	**1,367**	**16,824**
Additions	**1,064**	**–**	**–**	**1,064**
Disposals	**(1,788)**	**–**	**–**	**(1,788)**
Exchange realignment	**–**	**4**	**–**	**4**
At 31 December 2024	**13,625**	**1,112**	**1,367**	**16,104**
Accumulated depreciation:				
At 1 January 2024	**(11,345)**	**(1,074)**	**(1,059)**	**(13,478)**
Charge for the year	**(2,231)**	**–**	**(280)**	**(2,511)**
Disposals	**1,635**	**–**	**–**	**1,635**
Exchange realignment	**–**	**(4)**	**–**	**(4)**
At 31 December 2024	**(11,941)**	**(1,078)**	**(1,339)**	**(14,358)**
Net book value:				
At 31 December 2024	**1,684**	**34**	**28**	**1,746**
Cost:				
At 1 January 2023	15,649	1,103	1,367	18,119
Additions	790	–	–	790
Disposals	(2,090)	–	–	(2,090)
Exchange realignment	–	5	–	5
At 31 December 2023	14,349	1,108	1,367	16,824
Accumulated depreciation:				
At 1 January 2023	(9,672)	(1,069)	(603)	(11,344)
Charge for the year	(3,471)	–	(456)	(3,927)
Disposals	1,798	–	–	1,798
Exchange realignment	–	(5)	–	(5)
At 31 December 2023	(11,345)	(1,074)	(1,059)	(13,478)
Net book value:				
At 31 December 2023	3,004	34	308	3,346

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of office buildings and other equipment used in its operations. Leases of office buildings generally have lease terms between 1 and 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office buildings
	RMB'000
As at 1 January 2024	**6,766**
Additions	**3,455**
Adjustment	**(118)**
Depreciation charge	**(7,248)**
As at 31 December 2024	**2,855**
As at 1 January 2023	12,804
Additions	1,054
Adjustment	(35)
Depreciation charge	(7,057)
As at 31 December 2023	6,766

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount at 1 January	**6,764**	12,752
New leases	**3,455**	1,054
Adjustment	**(139)**	(39)
Accretion of interest recognised during the year	**216**	429
Payments	**(7,878)**	(7,432)
Carrying amount at 31 December	**2,418**	6,764
Analysed into:		
Current portion	**1,494**	6,546
Non-current portion	**924**	218

The maturity analysis of lease liabilities is disclosed in note 37 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**216**	429
Depreciation charge of right-of-use assets	**7,248**	7,057
Expense relating to short-term leases (included in administrative expenses and selling and distribution expenses)	**1,637**	1,745
Expense relating to leases of low-value assets (included in administrative expenses)	**557**	526
Total amount recognised in profit or loss	**9,658**	9,757

14. LEASES (continued)

The Group as a lessee (continued)

(d) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. There are no period following the exercise date of extension and termination options that are not included in the lease terms.

(e) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	2,194	2,271
Within financing activities	7,878	7,432
Total	10,072	9,703

15. INTANGIBLE ASSETS

	Software copyrights and licenses RMB'000	Cloud application and platform RMB'000	Deferred development costs RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	803	–	–	182	985
Additions	–	–	18,143	5	18,148
Amortisation	(191)	–	–	(44)	(235)
At 31 December 2024	612	–	18,143	143	18,898
At 31 December 2024:					
Cost	4,209	180,312	18,143	1,704	204,368
Accumulated amortisation	(3,597)	(180,312)	–	(1,561)	(185,470)
Net carrying amount	612	–	18,143	143	18,898

15. INTANGIBLE ASSETS (continued)

	Software copyrights and licenses *RMB'000*	Cloud application and platform *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2023	752	4,186	369	5,307
Additions	321	–	–	321
Amortisation	(270)	(4,186)	(187)	(4,643)
At 31 December 2023	803	–	182	985
At 31 December 2023:				
Cost	4,209	180,312	1,699	186,220
Accumulated amortisation	(3,406)	(180,312)	(1,517)	(185,235)
Net carrying amount	803	–	182	985

In response to the expanding intelligent finance and taxation market, the Company decided to develop intelligent finance and taxation BaaS service, which offers fully automatic bookkeeping and tax reporting services using AI technology. On January 2, 2024, the management decided to capitalise the expenditure incurred on this service after the Company had demonstrated the technical feasibility of completing the intangible asset and that it would be available for use or sale. The Company had also demonstrated its intention to complete and its ability to use or sell the asset, and how the asset would generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development.

For the year ended 31 December 2024, the Company capitalised research and development expenditure of approximately RMB18,143,000, including capitalised personnel costs of RMB18,064,000.

16. INVESTMENT IN AN ASSOCIATE

	2024 *RMB'000*	2023 *RMB'000*
Investment in an associate	**81,169**	67,060
Provision for impairment	**(51,058)**	(51,058)
Total	**30,111**	16,002

The Group had no trade receivable and payable balances with the associate. The Group's contract liability balance with the associate is disclosed in note 34 to the financial statements.

Particulars of the associate is as follows:

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

On 25 November 2024, the Company and Beijing Yonyou Ronglian Technology Co., Ltd ("**Ronglian Technology**") entered into the Capital Increase Agreement, pursuant to which the Company and Ronglian Technology agreed to increase their capital contributions to Chanjet Payment in an aggregate amount of RMB100,000,000 in proportion to their respective shareholdings in Chanjet Payment in cash, thereby increasing the registered capital of Chanjet Payment from RMB200,000,000 to RMB300,000,000. Upon the completion of the Capital Increase, the capital contribution by the Company will be increased from RMB38,560,000 to RMB57,840,000, where the shareholding of the Group in Chanjet Payment will remain unchanged at 19.28% and the Company will still account for Chanjet Payment as an associate of the Company.

The amounts of current assets, non-current assets, current liabilities and net assets as at 31 December 2024 of Chanjet Payment adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements were RMB329,554,000 (2023: RMB292,890,000), RMB196,000 (2023: RMB701,000), RMB151,313,000 (2023: RMB185,086,000) and RMB178,437,000 (2023: RMB108,505,000), respectively.

16. INVESTMENT IN AN ASSOCIATE (continued)

As at 31 December 2024, the Group's share of net assets of the Chanjet Payment was RMB34,403,000 (2023: RMB20,920,000) and the carrying amount of the investment after the fair value adjustments made at the time of disposal and provision for impairment was RMB30,111,000 (2023: RMB16,002,000).

The amount of revenue for the year ended 31 December 2024 of Chanjet Payment adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements was RMB3,899,000 (2023: RMB18,342,000).

The share of Chanjet Payment's loss and total comprehensive loss for the year ended 31 December 2024 were RMB5,171,000 (2023: RMB274,000) and RMB5,171,000 (2023: RMB274,000), respectively.

17. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 *RMB'000*	2023 *RMB'000*
Unlisted equity investments, at fair value		
Beijing Yonyou Happiness Yunchuang Entrepreneurship Investment Centre (Limited Partnership) ("**Happiness Yunchuang**")	3,059	2,097
Yonyou Mobile Telecommunications Technology Service Co., Ltd. ("**Yonyou Mobile**")	57,865	59,785
Xi'an Rongke Telecommunications Technology Co., Ltd. ("**Xi'an Rongke**") (*note*)	–	1,428
Total	60,924	63,310

The above equity investments as at 31 December 2024 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.

Note: According to the Share Transfer Agreement, the equity investment in Xi'an Rongke has been reclassified as prepayments, other receivables and other assets.

18. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	492	580
Purchased software	204	374
Total	696	954

19. TRADE AND BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	62,755	57,967
Bills receivables	183	150
Impairment allowance	(3,751)	(1,041)
Net carrying amount	59,187	57,076

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.

19. TRADE AND BILLS RECEIVABLES (continued)

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:

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**26,433**	45,886
91 days to 180 days	**5,076**	5,524
181 days to 1 year	**16,856**	2,334
1 to 2 years	**9,786**	2,824
Over 2 years	**1,036**	508
Total	**59,187**	57,076

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of the year	**(1,041)**	(485)
Impairment losses	**(2,710)**	(556)
At end of year	**(3,751)**	(1,041)

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.

19. TRADE AND BILLS RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Within 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	**2.23%**	**13.91%**	**50.83%**	**5.98%**
Gross carrying amount (RMB'000)	**49,281**	**11,367**	**2,107**	**62,755**
Expected credit losses (RMB'000)	**1,099**	**1,581**	**1,071**	**3,751**

As at 31 December 2023

	Within 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	0.70%	5.21%	50.00%	1.80%
Gross carrying amount (RMB'000)	53,971	2,980	1,016	57,967
Expected credit losses (RMB'000)	378	155	508	1,041

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 *RMB'000*	2023 *RMB'000*
Staff advances	–	490
Share purchase fund and dividend held by the trustee for share-based payments *(notes 1 and 2)*	7,060	6,768
Prepayments	190,963	146,807
Contract costs	41,802	68,776
Deposits, other receivables and other assets	10,325	11,516
	250,150	234,357
Impairment allowance	(945)	(367)
	249,205	233,990
Less: Non-current portion		
Share purchase fund and dividend held by the trustee for share-based payments *(notes 1 and 2)*:		
Long-term receivables	7,060	6,768
Prepayments	62,827	42,058
Contract costs	3,120	14,055
Other assets	1,624	2,241
	74,631	65,122
Current portion	174,574	168,868

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 31 December 2024 and 2023, 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.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

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

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 31 December 2024 and 2023.

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 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Wealth management products	–	153,055

The Group purchases various wealth management products issued by banks in Mainland China. As at 31 December 2024, all wealth management products were matured and proceeds upon maturity were received by the Group. As at 31 December 2023, the Group purchased wealth management products with the cost of RMB150,000,000 from commercial banks. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The details and breakdown of the financial assets at fair value through profit or loss as at the 31 December 2023 are as follows:

Name of bank	Nature of products	Commencement date	Expiry date	Principal amount	Carrying value
				RMB'000	*RMB'000*
Industrial Bank Co., Ltd.	Structured deposits	17 March 2023	15 March 2024	50,000	51,230
Bank of Nanjing Co., Ltd.	Structured deposits	22 March 2023	18 March 2024	50,000	50,965
China Construction Bank Corporation	Structured deposits	24 March 2023	24 March 2024	50,000	50,860
				150,000	153,055

22. CASH AND BANK BALANCES

	2024 *RMB'000*	2023 *RMB'000*
Cash on hand	**18**	18
Bank balances	**151,795**	120,717
Time deposits *(note)*	**1,099,577**	904,414
Cash equivalents	**7,641**	12,416
	1,259,031	1,037,565
Less: Time deposits, non-current portion *(note)*	**325,059**	150,712
Cash and bank balances	**933,972**	886,853
Less: Non-pledged time deposits with original maturity of more than three months when acquired	**423,785**	90,000
Unrestricted interest receivables	**17,628**	11,064
Cash and cash equivalents as stated in the consolidated statement of cash flows	**492,559**	785,789

Note: 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.

22. CASH AND BANK BALANCES (continued)

The Group's cash and bank balances are denominated in the following currencies:

	2024 *RMB'000*	2023 *RMB'000*
RMB	**1,166,846**	950,835
HK$	**86,346**	80,710
USD	**5,839**	6,020
Total	**1,259,031**	1,037,565

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks which are authorised to conduct foreign exchange business.

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 *RMB'000*	2023 *RMB'000*
0 to 90 days	**4,537**	10,479
91 days to 1 year	**3,139**	1,879
Over 1 year	**2,212**	1,654
Total	**9,888**	14,012

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

24. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	2024	2023
	RMB'000	*RMB'000*
Rendering of services	642,260	548,058
Analysed into:		
Current portion	455,692	402,134
Non-current portion	186,568	145,924

25. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Tax payable	20,240	17,648
Staff payroll and welfare payables *(note)*	79,589	81,598
Advances from customers	8,561	9,031
Other payables	28,433	21,823
Total	136,823	130,100

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

Note: Further details of staff payroll and welfare payables related to the long-term incentive bonus scheme are set out in note 26 to the financial statements.

26. LONG-TERM LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Accrued bonus	–	16,990

On 28 December 2020, the Board approved the adoption of the long-term incentive bonus scheme to motivate the enthusiasm and creativity of the management team members and the core and key employees of the Company. The appraisal dates are the first working day after the expiry of the second anniversary, third anniversary and fourth anniversary of the date of determination of the long-term incentive bonus scheme participants. Subject to the satisfaction of the appraisal conditions, the long-term incentive bonus scheme participants shall receive the bonus. The bonus shall be paid in three tranches within three months after the respective appraisal dates. On 28 December 2020, the Board has considered and approved the list of the long-term incentive bonus scheme participants under the long-term incentive bonus scheme, which comprises Mr. Yang Yuchun, the executive director and the president of the Company, and 157 members of other mid to senior level management personnel, experts and key personnel of the Group.

During the year ended 31 December 2024, the total amount of the long-term incentive bonus expenses recognised in profit or loss under the long-term incentive bonus scheme was RMB5,104,000 (2023: RMB7,109,000).

On 30 December 2024, the Board considered and passed a resolution in relation to the appraisal of the third tranche of bonus under the long-term incentive bonus scheme. Pursuant to the resolution, 30 December 2024 was the appraisal date for the third tranche of bonus. The business performance of the Company for the year of 2023 had reached more than 80% but less than 100% of the appraisal targets set by the Board. Therefore, the amount of bonus to be awarded is 80% of the fixed amount of bonus. Except for some scheme participants who had terminated or rescinded their labour contracts with the Company and withdrawn from the long-term incentive bonus scheme and individual scheme participant who did not achieve the required individual performance appraisal results for the year of 2023 (such scheme participant do not meet the appraisal conditions), the remaining scheme participants had met the individual appraisal conditions as stipulated in the long-term incentive bonus scheme, as approved by the President Committee. Based on the business performance of the Company for the year of 2023, the Board considered and determined the total amount of the tranche of bonus to be awarded to the scheme participants would be approximately RMB22,095,000 (31 December 2023: RMB28,981,000) (tax inclusive), which were recognised in staff payroll and welfare payables. The bonus would be paid within the first three months of 2025.

27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

2024	Right-of-use assets	Fair value adjustments of equity investments at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	1,015	8,165	9,180
Deferred tax credited to profit or loss during the year	(587)	(439)	(1,026)
Gross deferred tax liabilities at 31 December 2024	428	7,726	8,154

Deferred tax assets

2024	Losses available for offsetting future taxable profits	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	20,698	1,015	21,713
Deferred tax charged to profit or loss during the year	(898)	(652)	(1,550)
Gross deferred tax assets at 31 December 2024	19,800	363	20,163

Notes to Financial Statements (continued)

31 December 2024

27. DEFERRED TAX (continued)

Deferred tax liabilities

2023	Right-of-use assets	Fair value adjustments of equity investments at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	1,921	2,187	4,108
Deferred tax charged/(credited) to profit or loss during the year	(906)	5,978	5,072
Gross deferred tax liabilities at 31 December 2023	1,015	8,165	9,180

Deferred tax assets

2023	Losses available for offsetting future taxable profits	Lease liabilities	Impairment of assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	19,693	1,913	849	22,455
Deferred tax credited/(charged) to profit or loss during the year	1,005	(898)	(849)	(742)
Gross deferred tax assets at 31 December 2023	20,698	1,015	–	21,713

27. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	12,009	12,533

Deferred tax assets have not been recognised in respect of the following item:

	2024 RMB'000	2023 RMB'000
Deductible temporary differences	103,597	10,364
Tax losses	884,373	800,732
	987,970	811,096

The Group has tax losses arising in Mainland China of RMB976,508,000 (2023: RMB899,143,000) that will expire in one to ten years for offsetting against future taxable profits, which is mainly caused by a 100% deduction of research and development expenditure.

The Group has tax losses arising from a subsidiary in the United States of approximately RMB39,868,000 (2023: RMB39,578,000), of which RMB21,436,000 expires in years 2036 through 2037, and RMB18,432,000 is available indefinitely for offsetting against future taxable profits of this subsidiary in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses arising in such parent and subsidiary since management considers that it is not probable that taxable profits will be available against which the above items can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

28. ISSUED CAPITAL

The number of shares of the Company and their nominal values as at 31 December 2024 and 2023 are as follows:

	31 December 2024		31 December 2023	
	Number of shares	**Nominal value**	Number of shares	Nominal value
	'000 shares	***RMB'000***	*'000 shares*	*RMB'000*
Registered, issued and fully paid:				
Domestic shares of RMB1.00 each	**243,272**	**243,272**	243,272	243,272
H shares of RMB1.00 each	**82,500**	**82,500**	82,500	82,500
	325,772	**325,772**	325,772	325,772

29. SHARE-BASED PAYMENTS

The Company operates the Employee Share Ownership Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Employee Share Ownership Scheme include the Company's directors and other employees of the Group. The Employee Share Ownership Scheme became effective on 28 December 2020.

The total number of incentive shares to be granted under the Employee Share Ownership Scheme shall not exceed 15,412,716 domestic shares, representing approximately 7.10% of the Company's total issued share capital as at the date of the proposed adoption by the board of directors of the Employee Share Ownership Scheme. The entitlement of the number of the incentive shares of participants of the Employee Share Ownership Scheme (the "**Employee Share Ownership Scheme Participants**") shall be determined in accordance with the position, ranking, performance appraisal result and other relevant factors. The specific allocation criteria and proposal shall be proposed by the president committee of the Company (the "**President Committee**") and approved by the board of directors.

The offer of a grant of incentive shares may be accepted upon payment of RMB9.16 for each incentive share by the grantee. The price is equivalent to 90% of the closing price of the H shares on the trading day immediately prior to the date of the proposed adoption by the board of the Employee Share Ownership Scheme (calculated based on the central parity rate of RMB against HK$ announced by the People's Bank of China on the trading day immediately prior to the date of the proposed adoption by the board of directors of the Employee Share Ownership Scheme).

On 27 September 2021, pursuant to capitalisation issue proposal approved at the extraordinary general meeting, the Company issued shares to all shareholders by way of capitalisation of capital reserve, on the basis of five(5) capitalisation shares for every ten(10) existing shares. Pursuant to capitalisation issue, the number of incentive shares and fair value per share were adjusted in accordance with the relevant provisions of the Employee Share Ownership Scheme.

29. SHARE-BASED PAYMENTS (continued)

The unlocking dates of the incentive shares are the first trading day after the expiry of the second anniversary, third anniversary and fourth anniversary of the grant date, upon which and subject to the satisfaction of the unlocking conditions for the corresponding assessment year, being (a) the business performance target of the Company determined and assessed by the board of directors; and (b) the performance appraisal result of the Employee Share Ownership Scheme participant determined by the President Committee, and 40%, 30% and 30% of the incentive shares shall be unlocked respectively.

On 28 December 2023, the Board considered and passed a resolution in relation to unlocking of the second tranche of incentive shares granted under the Employee Share Ownership Scheme. Pursuant to the resolution, except for some scheme participants who have terminated or rescinded their labour contracts with the Company and individual scheme participant who did not achieve the required individual performance appraisal results for the year of 2022 (the Incentive Shares granted to such persons do not meet the Unlocking Conditions), 30% of the total number of incentive shares, being 21,979,074 domestic shares held by the remaining scheme participants who have satisfied the unlocking conditions for the second tranche of incentive shares have been unlocked in accordance with the provisions as stipulated in the Employee Share Ownership Scheme.

On 30 December 2024, the Board considered and passed a resolution in relation to the unlocking of the third tranche of incentive shares granted under the Employee Share Ownership Scheme. Pursuant to the resolution, the business performance of the Company for the corresponding assessment year (i.e., the year of 2023) has reached more than 80% but less than 100% of the appraisal targets set by the Board. Therefore, the number of unlockable shares is 80% of the 30% of the total number of incentive shares granted. Except for some scheme participants who have terminated or rescinded their labour contracts with the Company and individual scheme participant who did not achieve the required individual performance appraisal results for the year of 2023 (the Incentive Shares granted to such scheme participants did not meet the unlocking conditions), 80% of the 30% of the total number of incentive shares, being 21,694,074 domestic shares held by the above scheme participants who have satisfied the unlocking conditions for the third tranche of incentive shares have been unlocked in accordance with the provisions as stipulated in the Employee Share Ownership Scheme.

The Employee Share Ownership Scheme

Particulars and movements of the target incentive shares under the Employee Share Ownership scheme

2024

Date of grant	***Note***	**Fair value per share *(RMB)***	**As at 1 January**	**Forfeited during the year**	**Vested during the year**	**As at 31 December**
28 December 2020	(a)	**6.21**	**6,604,972**	**(1,398,394)**	**(5,206,578)**	**–**

2023

Date of grant	*Note*	Fair value per share *(RMB)*	As at 1 January	Forfeited during the year	Vested during the year	As at 31 December
28 December 2020	(a)	6.21	13,484,444	(285,750)	(6,593,722)	6,604,972

29. SHARE-BASED PAYMENTS (continued)

The Employee Share Ownership Scheme (continued)

Particulars and movements of the target incentive shares under the Employee Share Ownership scheme (continued)

Note:

(a) During the year ended 31 December 2024, 1,398,394 target shares (2023: 285,750) under the Employee Share Ownership Scheme were forfeited due to the vesting conditions not being fulfilled under the Employee Share Ownership Scheme.

The fair value of the share ownership units granted at the date was calculated based on the market price of the Company's shares at the grant date. The fair value of share ownership units granted under the grant was RMB2,247,000.

During the year ended 31 December 2024, the total amount of share-based payment expense was RMB121,000 (2023: RMB250,000), which was recognised in profit or loss.

30. RESERVES

The amounts of the Group's reserves and the movements therein for the years are presented in the consolidated statement of changes in equity on pages 103 to 104 of the financial statements.

31. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

During the year, the Group had non-cash addition to right-of-use assets and lease liabilities of RMB3,455,000 (2023: RMB1,054,000) and RMB3,455,000 (2023: RMB1,054,000), respectively, in respect of lease arrangements for office buildings and other equipment. The total cash outflow for leases is set out in note 14.

32. CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group did not have any significant contingent liabilities.

33. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

34. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

During the years ended 31 December 2024 and 2023, the Group entered into the following transactions with related parties:

	2024 RMB'000	2023 RMB'000
Purchases of goods and services from		
The holding company*		
Yonyou	2,232	2,169
Associated companies held by Yonyou		
Beijing Xi Ma Guo Zheng Technology Co., Ltd. ("**Xi Ma Guo Zheng**") (北京西瑪國正科技發展有限公司)	175	256
Execution (Beijing) Network Technology Co., Ltd. (執行力(北京) 網絡科技有限公司)	–	1
Suirui Group Co., Ltd. (隨銳科技集團股份有限公司)	2	2
Sinotone (Beijing) Consulting Co., Ltd. ("**Sinotone Consulting**") (漢唐信通(北京)諮詢股份有限公司)	509	473
Fellow subsidiaries*		
Yonyou Mobile	162	4
Shanghai Dayee Cloud Computing Co., Ltd. (上海大易雲計算有限公司)	57	74
UFIDA (Nanchang) Industrial Base Development Co., Ltd. ("**UFIDA (Nanchang)**") (用友(南昌)產業基地發展有限公司)	256	240
Shanghai Yonyou Government Affairs Software Co., Ltd. ("**Shanghai Yonyou Government Affairs**") (上海用友政務軟件有限公司)	–	1
Nanchang Yongyou Xinfu Society Cloud Technology Co., Ltd. ("**Nanchang Yongyou Xinfu Society**") (南昌用友薪福社雲科技有限公司) *	4,006	1,256
Nanjing Digital Certification Co., Ltd. (南京數字認證有限公司)	–	7
Jiangxi Yonyou Salary Digital Technology Co., Ltd. (江西用友薪酬數字科技有限公司)	1	–

Notes to Financial Statements (continued)

31 December 2024

34. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

	2024 RMB'000	2023 RMB'000
Purchases of goods and services from (continued)		
Companies of which a director of the Company is the ultimate controlling party*		
Beijing Red Mansion Culinary Culture Co., Ltd. (北京紅邸餐飲文化有限公司)	72	111
Beijing Hongju Catering Culture Co., Ltd. (北京紅局餐飲文化有限公司)	154	227
Beijing Sparks Technology Co., Ltd. (北京火花無限科技有限公司)	75	94
A company controlled by the ultimate controlling party*		
Huaguori Wine (Beijing) Co., Ltd. (花果日葡萄酒(北京)有限公司)	1	12
Subsidiary of the associated company held by Yonyou		
Sinotone (Beijing) Technology Co., Ltd. (“**Sinotone Tech**”) (漢唐信通(北京)科技有限公司)	1	9
Total	7,703	4,936
Sales of goods and services to		
Associated companies held by Yonyou		
Xi Ma Guo Zheng	230	287
Beijing ZhongGuanCun Bank Co., Ltd. (“**ZhongGuanCun Bank**”) (北京中關村銀行股份有限公司)	27	34
Sinotone Consulting	124	192
Beijing Unicredit Consultation Company Limited (“**Unicredit Company**”) (北京聯信徵信諮詢有限責任公司)*	3,300	25
Subsidiary of the associated company held by Yonyou		
Sinotone Tech	2	16
Associates of the company*		
Chanjet Payment	532	114
Total	4,215	668

34. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

On 24 March, 2023, the Company entered into the transfer agreement with Seentao Technology Co., Ltd. (a fellow subsidiary of the Company) for the disposal of the Finance & Taxation Practical Skills Training Product and Service Business at an aggregated consideration of RMB43,800,000. Such transaction has resulted in a gain on disposal of RMB43,755,000.*

On 30 March 2023, Yonyou Up (a fellow subsidiary of the Company) issued a confirmation letter to agree that before domestic shares can be traded publicly, it shall purchase as the transferee all shares to be transferred by the shareholding platform under the Employee Share Ownership Scheme when unlocked incentive shares are redeemed and incentive shares which have not been unlocked are exited. Further details of the Employee Share Ownership Scheme are set out in note 29 to the financial statements.

The Company signed agreements with Yonyou to sell the Company's cloud products to Tencent Cloud Computing (Beijing) Co., Ltd. ("**Tencent Cloud**") and via the Yonyou tmall and jd flagship store. The Company's selling price to Yonyou is consistent with the Yonyou's selling price to Tencent Cloud and on the Yonyou tmall and jd flagship store. During the year ended 31 December 2024, the total revenue of the Company's cloud products under the above agreements was RMB574,000 (2023: RMB254,000).*

During the year ended 31 December 2024, the Group recognised interest income of RMB4,270,000 (2023: RMB7,134,000) from deposits placed with ZhongGuanCun Bank.

On 6 November 2024, the Company, Yonyou, Beijing Yonyou Chuangxin Investment Centre (Limited Partnership) and Happiness Investment Co., Ltd. signed the Change Resolution, pursuant to which, all partners of Happiness Yunchuang agreed to reduce the capital contribution in proportion to their respective partnership interest in Happiness Yunchuang, thereby reducing the capital contribution of Happiness Yunchuang from RMB40,357,000 to RMB5,357,000. Of which, the capital contribution made by the Company will be reduced from RMB4,035,700 to RMB535,700.*

On 25 November 2024, the Company and Ronglian Technology entered into the Capital Increase Agreement. During the year ended 31 December 2024, the Company had made the capital contribution of RMB19,280,000 to Chanjet Payment. Further details of the completion of the Capital Increase are set out in note 16 to the financial statements.*

34. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

Rental of office buildings from related parties*

During the years ended 31 December 2024 and 2023, the Group rented office buildings from Yonyou. After the adoption of IFRS 16, the carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the year are as follows:

	Right-of-use assets	**Lease liabilities**
	RMB'000	***RMB'000***
As at 1 January 2024	**4,470**	**4,741**
Addition	**2,090**	**2,090**
Depreciation charge	**(5,046)**	**–**
Interest expense	**–**	**150**
Payments	**–**	**(5,374)**
As at 31 December 2024	**1,514**	**1,607**

	Right-of-use assets	Lease liabilities
	RMB'000	*RMB'000*
As at 1 January 2023	9,531	9,805
Depreciation charge	(5,061)	–
Interest expense	–	310
Payments	–	(5,374)
As at 31 December 2023	4,470	4,741

In addition to the lease of office buildings shown in the table above, there were no rental expenses in profit or loss from short-term leases from Yonyou for the year ended 31 December 2024 (2023: RMB111,000).

34. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

Rental of office buildings from related parties* (continued)

During the years ended 31 December 2024 and 2023, the Group rented office buildings from UFIDA (Nanchang), a fellow subsidiary. After the adoption of IFRS 16, the carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the year are as follows:

	Right-of-use assets *RMB'000*	**Lease liabilities** *RMB'000*
As at 1 January 2024	**1,329**	**1,327**
Addition	**37**	**37**
Depreciation charge	**(1,086)**	**–**
Interest expense	**–**	**32**
Payments	**–**	**(1,159)**
As at 31 December 2024	**280**	**237**

	Right-of-use assets *RMB'000*	Lease liabilities *RMB'000*
As at 1 January 2023	2,132	2,116
Addition	274	274
Depreciation charge	(1,077)	–
Interest expense	–	82
Payments	–	(1,145)
As at 31 December 2023	1,329	1,327

In addition to the lease of office buildings shown in the table above, the Group recognised the rental expenses in profit or loss from short-term leases of RMB255,000 from UFIDA (Nanchang) for the year ended 31 December 2024 (2023: RMB256,000).

The above related party transactions were conducted on mutually agreed terms.

34. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

An analysis of the balances with related parties is as follows:

Due from related parties

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade related:		
The holding company		
Yonyou	**–**	1
Associated companies held by Yonyou		
ZhongGuanCun Bank	**–**	9
Xi Ma Guo Zheng	**74**	–
Sinotone Consulting	**469**	515
Fellow subsidiaries		
Shanghai Bingjun Network Technology Co., Ltd. (上海秉鈞網絡科技有限公司)	**6**	6
Nanchang Yongyou Xinfu Society	**581**	1,477
Other receivables:		
Fellow subsidiary		
Beijing Yonyou Government Affairs Software Co., Ltd. (北京用友政務軟件股份有限公司)	**149**	–
Beijing Yonyou Salary Digital Technology Co., Ltd. (北京用友薪疇數字科技有限公司)	**1**	–
UFIDA (Nanchang)	**36**	37
Total	**1,316**	2,045

Deposits placed with

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Associated company held by Yonyou		
ZhongGuanCun Bank	**150,009**	150,099

As at 31 December 2024, the Group had interest receivables of RMB4,982,000 due from ZhongGuanCun Bank (2023: RMB712,000).

The amounts due from related parties were unsecured, interest-free (except for deposits placed with ZhongGuanCun Bank) and repayable on demand.

34. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties (continued)

Due to related parties

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade related:		
The holding company		
Yonyou	1,148	1,148
Associate of the Company		
Chanjet Payment	4	536
Associated companies held by Yonyou		
Xi Ma Guo Zheng	180	430
Sinotone Consulting	21	99
Unicredit Company	438	580
A company controlled by the ultimate controlling party		
Shenzhen Yyfax Financial Services Co., Ltd. (深圳友金所金融服務有限公司)	38	38
Subsidiary of the associated company held by Yonyou		
Sinotone Tech	51	53
A company of which the ultimate controlling party of the company is a shareholder with significant influence		
Shangzhuangyuan (Beijing) Technology Co., Ltd. (北京商狀元科技有限公司)	14	14
Other payables:		
The holding company		
Yonyou	–	44
Associated company held by Yonyou		
Xi Ma Guo Zheng	10	10
Fellow subsidiary		
UFIDA (Nanchang)	56	–
Total	1,960	2,952

34. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	2024	2023
	RMB'000	*RMB'000*
Short term employee benefits	22,719	26,418
Pension scheme contributions	985	974
Equity-settled share-based payment expense	51	112
Total compensation to key management personnel	23,755	27,504

The key management personnel mentioned above contain directors, supervisors, the chief executive and other key management personnel. Further details of directors', supervisors' and the chief executive's emoluments are included in note 8 to the financial statements.

In 2020, incentive shares were granted to the above certain key management personnel, excluding non-executive directors, independent non-executive directors and supervisors, in respect of their services under the Employee Share Ownership Scheme of the Group, further details of which are set out in note 29 to the financial statements.

* The related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Financial assets		
Financial assets at amortised cost		
Trade and bills receivables	59,187	57,076
Financial assets included in prepayments, other receivables and other assets (exclude long-term receivables)	3,978	4,459
Share purchase fund and dividend held by the trustee for share-based payments	7,060	6,768
Cash and bank balances	1,259,031	1,037,565
Financial assets at fair value through profit or loss	–	153,055
Equity investments at fair value through profit or loss	60,924	63,310
Total	1,390,180	1,322,233
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	9,888	14,012
Financial liabilities included in other payables and accruals	28,433	21,823
Total	38,321	35,835

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments are as follows:

	Carrying amounts		Fair values	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets				
Time deposits, non-current portion	**325,059**	150,712	**325,059**	146,804
Share purchase fund and dividend held by the trustee for share-based payments	**7,060**	6,768	**7,060**	6,768
Financial assets at fair value through profit or loss:				
Equity investments at fair value through profit or loss	**60,924**	63,310	**60,924**	63,310
Financial assets at fair value through profit or loss	**–**	153,055	**–**	153,055
Total	**393,043**	373,845	**393,043**	369,937

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 and 31 December 2023.

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of unlisted equity investments classified as financial assets at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to sales ("**P/S**") multiple, for each comparable company identified. These multiple is calculated by dividing the market capitalisation of the comparable company by its total sales and net assets over a designated period. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group also invests in wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these wealth management products by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a qualitative sensitivity analysis as at 31 December 2024 and 2023:

	Valuation technique	**Significant unobservable input**	**Range**	**Correlation of fair value to the input**
Unlisted equity investments	Market approach-valuation multiples	Average P/S multiple of peers	2024: 6.6x to 7.7x (2023: 5.8x to 5.9x)	Positive correlation
		Discount for lack of marketability	2024: 20.0% to 38.0% (2023: 19.0% to 27.8%)	Negative correlation

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Notes to Financial Statements (continued)

31 December 2024

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets at fair value through profit or loss:				
Equity investments at fair value through profit or loss	–	–	60,924	60,924
Total	–	–	60,924	60,924

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets at fair value through profit or loss:				
Equity investments at fair value through profit or loss	–	–	63,310	63,310
Financial assets at fair value through profit or loss	–	153,055	–	153,055
Total	–	153,055	63,310	216,365

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 and 31 December 2023.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

Assets for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Time deposits, non-current portion	–	325,059	–	325,059
Share purchase fund and dividend held by the trustee for share-based payments	–	7,060	–	7,060
Total	–	332,119	–	332,119

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Time deposits, non-current portion	–	146,804	–	146,804
Share purchase fund and dividend held by the trustee for share-based payments	–	6,768	–	6,768
Total	–	153,572	–	153,572

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and term deposits. These financial instruments are mainly held for the purpose of supporting the daily operations of the Group. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are net carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	59,187	59,187
Financial assets included in prepayments, other receivables and other assets					
– Normal**	3,978	–	–	–	3,978
– Doubtful**	–	–	–	–	–
Cash and bank balances					
– Not yet past due	1,259,031	–	–	–	1,259,031
Total	1,263,009	–	–	59,187	1,322,196

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade and bills receivables*	–	–	–	57,076	57,076
Financial assets included in prepayments, other receivables and other assets					
– Normal**	4,459	–	–	–	4,459
– Doubtful**	–	–	–	–	–
Cash and bank balances					
– Not yet past due	1,037,565	–	–	–	1,037,565
Total	1,042,024	–	–	57,076	1,099,100

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The majority of the Group's customers are required to make payments in advance, and only a very small portion of the Group's customers could enjoy the credit policy. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding. The Group's financial liabilities mainly comprise trade payables, other payables and lease liabilities, which arise directly from its operations that are usually repayable within three months. Their carrying values are equal to their fair values. The Group's management monitors the working capital position to ensure that there is adequate liquidity to meet with all the financial obligations when they become due and to maximise the return of the Group's financial resources.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	1 to 3 months	**3 to less than 12 months**	**1 to 2 years**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
31 December 2024				
Trade payables	**9,888**	**–**	**–**	**9,888**
Lease liabilities	**739**	**822**	**945**	**2,506**
Financial liabilities included in other payables and accruals	**28,433**	**–**	**–**	**28,433**
	39,060	**822**	**945**	**40,827**

	1 to 3 months	3 to less than 12 months	1 to 2 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Trade payables	14,012	–	–	14,012
Lease liabilities	1,852	4,819	220	6,891
Financial liabilities included in other payables and accruals	21,823	–	–	21,823
	37,687	4,819	220	42,726

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Foreign currency risk

Foreign currency risk means the risk of fluctuations in the fair value or future cash flows of financial instruments which arise from changes in exchange rates. The Group's foreign currency risk mainly arises from sales or purchases by operating units in currencies other than the units' functional currencies and from net investments in foreign operations.

The Group's businesses are mainly located in Mainland China and are transacted and settled in RMB. As at 31 December 2024, except for RMB86,346,000 denominated in Hong Kong dollars (2023: RMB80,710,000) and RMB5,839,000 denominated in United States dollars (2023: RMB6,020,000) included in cash and bank balances, all assets and liabilities were denominated in RMB.

Management believes that the fluctuation of the exchange rates of foreign currencies against RMB will not affect the Group's results of operations.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Hong Kong dollar and RMB exchange rate, with all other variables held constant, of the Group's profit after tax and the Group's equity.

	Increase/ (decrease) in Hong Kong dollar/ RMB rate	Increase/ (decrease) in profit after tax	Increase/ (decrease) in equity
	%	*RMB'000*	*RMB'000*
2024			
If the RMB weakens against the Hong Kong dollar	**3%**	**2,202**	**2,202**
If the RMB strengthens against the Hong Kong dollar	**(3%)**	**(2,202)**	**(2,202)**
2023			
If the RMB weakens against the Hong Kong dollar	3%	2,058	2,058
If the RMB strengthens against the Hong Kong dollar	(3%)	(2,058)	(2,058)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity. Net debt was calculated as the total amount of interest-bearing liabilities less cash and bank balances. The Group's gearing ratio was nil as at 31 December 2024 and 31 December 2023.

38. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the end of the reporting period up to the date of this report.

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 31 December RMB'000	2023 31 December RMB'000
Non-current assets		
Property, plant and equipment	1,602	3,339
Right-of-use assets	2,855	6,766
Intangible assets	18,894	985
Investment in a subsidiary	11,859	3,624
Investment in an associate	21,662	7,553
Equity investments at fair value through profit or loss	60,924	63,310
Deferred tax assets	12,009	12,533
Prepayments, other receivables and other assets	72,365	62,970
Cash and bank balances	325,059	150,712
Total non-current assets	527,229	311,792
Current assets		
Inventories	696	954
Trade and bills receivables	64,116	59,287
Prepayments, other receivables and other assets	174,290	168,541
Financial assets at fair value through profit or loss	–	153,055
Cash and bank balances	922,318	884,041
Total current assets	1,161,420	1,265,878

Notes to Financial Statements (continued)

31 December 2024

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	2024 31 December *RMB'000*	2023 31 December *RMB'000*
Current liabilities		
Trade payables	**9,888**	14,012
Contract liabilities	**458,331**	402,831
Other payables and accruals	**136,427**	129,824
Lease liabilities	**1,494**	6,546
Total current liabilities	**606,140**	553,213
Net current assets	**555,280**	712,665
Total assets less current liabilities	**1,082,509**	1,024,457
Non-current liabilities		
Lease liabilities	**924**	218
Contract liabilities	**186,568**	145,924
Long-term liabilities	**–**	16,990
Total non-current liabilities	**187,492**	163,132
Net assets	**895,017**	861,325
Equity		
Issued capital	**325,772**	325,772
Treasury shares held under the employee trust benefit scheme	**(28,519)**	(28,519)
Reserves *(note)*	**597,764**	564,072
Total equity	**895,017**	861,325

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve	Merger reserve	Share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	793,665	(4)	10,794	–	(257,049)	547,406
Total comprehensive income for the year	–	–	–	–	16,416	16,416
Shares vested under the employee share ownership scheme	647	–	(647)	–	–	–
Share-based payments	–	–	250	–	–	250
At 31 December 2023 and 1 January 2024	**794,312**	**(4)**	**10,397**	**–**	**(240,633)**	**564,072**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**33,571**	**33,571**
Shares vested under the employee share ownership scheme	**498**	**–**	**(498)**	**–**	**–**	**–**
Share-based payments	**–**	**–**	**121**	**–**	**–**	**121**
At 31 December 2024	**794,810**	**(4)**	**10,020**	**–**	**(207,062)**	**597,764**

The share-based payment reserve comprises the fair values of trust benefit units and incentive shares granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the capital reserve account when the related trust benefit units and incentive shares are vested, or be transferred to retained profits should the related trust benefit units and incentive shares be forfeited.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2025.

Definitions

In this report, unless the context otherwise requires, the following words and expressions shall have the following meanings.

"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of directors of the Company
"Capitalisation Issue"	the issue of five (5) capitalisation shares for every ten (10) shares to all Shareholders by way of capitalisation of capital reserve by the Company in October 2021
"CASBE"	The latest Accounting Standards for Business Enterprises issued by MOF and the related application guidance, interpretations and other related requirements
"Chairman"	the chairman of the Board
"Chanjet Payment"	Beijing Chanjet Payment Technology Co., Ltd. (北京暢捷通支付技術有限公司), a company with limited liability established in the PRC on 29 July 2013 and held by the Company as to 19.28%, and an associate of the Company
"Chanjet U.S."	Chanjet Information Technology Corporation, a company incorporated in California on 5 November 2012 under the laws of the State of California of the United States, and a wholly-owned subsidiary of the Company
"Chanjet Yunhui"	Beijing Chanjet Yunhui Information Technology Co., Ltd. (北京暢捷雲匯信息技術有限公司), a company with limited liability established in the PRC on 12 April 2019, and a wholly-owned subsidiary of the Company
"Chanjet Yunzhi"	Hebei Chanjet Cloud Intelligent Technology Co., Ltd. (河北暢捷雲智能科技有限公司), a company established in the PRC with limited liability on 4 June 2024, and a wholly-owned subsidiary of the Company
"Company" or "our Company"	Chanjet Information Technology Company Limited (暢捷通信息技術股份有限公司), a joint stock limited company incorporated in the PRC, whose H Shares are listed and traded on the Hong Kong Stock Exchange
"Company Law"	the Company Law of the People's Republic of China
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules

Definitions (continued)

"Director(s)"	member(s) of the Board, including all executive, non-executive and independent non-executive directors of the Company
"Domestic Share(s)"	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
"Employee Share Ownership Scheme"	the 2020 employee share ownership scheme adopted by the Company on 28 December 2020 and amended on 21 May 2024
"Employee Trust Benefit Scheme"	the employee trust benefit scheme of the Company adopted on 8 June 2015 and amended on 18 May 2016
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"H Shares"	overseas listed foreign invested ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Hong Kong Stock Exchange
"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 Yonyou, in which Yonyou holds 60% of its shares
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRSs"	International Financial Reporting Standards promulgated by the International Accounting Standards Board ("**IASB**"). IFRSs include the International Accounting Standards and their interpretations
"Independent Third Party(ies)"	an individual(s) or a company(ies) who/which is/are independent of and not connected with (within the meaning of the Listing Rules) any of Directors, Supervisors, chief executives or Substantial Shareholders (as defined in the Listing Rules) of the Company, its subsidiaries or any of their respective associates

Definitions (continued)

"Latest Practicable Date"	16 April 2025, being the latest practicable date prior to the printing of this annual report for the purpose of ascertaining certain information contained herein
"Listing Date"	26 June 2014, being the date on which the Company's H Shares were listed on the Main Board of the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Long-term Incentive Bonus Scheme"	the 2020 long-term incentive bonus scheme adopted by the Company on 28 December 2020
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MOF"	the Ministry of Finance of the People's Republic of China (中華人民共和國財政部)
"MSE(s)"	micro and small scale enterprise(s)
"NPC"	the National People's Congress of the People's Republic of China (中華人民共和國全國人民代表大會)
"PRC" or "China" or the "People's Republic of China"	the People's Republic of China and, except where the context otherwise requires, for the purpose of this report excludes Hong Kong, the Macau Special Administrative Region of the PRC and the region of Taiwan
"President"	the president of the Company
"Prospectus"	the prospectus published by the Company on 16 June 2014
"Reporting Period"	the year ended 31 December 2024
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Point Scheme"	the long-term employee incentive point scheme approved and adopted by the Company on 29 March 2019

"Seentao Technology"	Seentao Technology Co., Ltd. (新道科技股份有限公司), the shares of which are listed on the National Equities Exchange and Quotations (Stock Code: 833694), and a subsidiary of Yonyou
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) of the Company with nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s) of the Company
"Shareholding Platforms"	five limited partnerships established by the Employee Share Ownership Scheme participants, including 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)), 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)), 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)), 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)) and Tianjin Binhai New Area Yuntongjuxin Technology Partnership (limited partnership) (天津濱海新區雲通聚新科技合夥企業(有限合夥)), for the purpose of implementing the Employee Share Ownership Scheme
"State Council"	State Council of the People's Republic of China
"Substantial Shareholder(s)"	has the meaning ascribed to it in the SFO
"Supervisor(s)"	the member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"US$" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States
"Yonyou"	Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on 18 January 1995, the shares of which are listed and traded on the Shanghai Stock Exchange (Stock Code: 600588), and the controlling Shareholder of the Company

Definitions (continued)

"Yonyou Fintech"	Yonyou Fintech Information Technology Co., Ltd. (用友金融信息技術股份有限公司), the shares of which are listed and traded on the National Equities Exchange and Quotations (Stock Code: 839483), and a subsidiary of Yonyou
"Yonyou Group"	Yonyou and its subsidiaries (other than the Group)
"Yonyou Research Institute"	Beijing Yonyou Enterprise Management Research Co., Ltd. (北京用友企業管理研究所有限公司), a company incorporated in the PRC with limited liability on 15 July 1998, in which Mr. Wang Wenjing holds 79.64% of its equity interest
"Yonyou Auto Technology"	Yonyou Auto Information Technology (Shanghai) Co., Ltd. (用友汽車信息科技(上海)股份有限公司), the shares of which are listed and traded on the Science and Technology Innovation Board of the Shanghai Stock Exchange (Stock Code: 688479), and a subsidiary of Yonyou
"Yonyou Up"	Yonyou Up Information Technology Co., Ltd. (用友優普信息技術有限公司), a limited company incorporated in the PRC on 25 February 2014, a wholly-owned subsidiary of Yonyou
"%"	percent