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Renrui Human Resources Technology Holdings Limited

人瑞人才科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6919)

INSIDE INFORMATION ANNOUNCEMENT PROFIT WARNING

This announcement is made by Renrui Human Resources Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that following the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 and the management’s estimate based on the information currently available to the Board, the Group expects to record (i) a year-on-year increase in revenue of approximately 59% to 69% for the year ended 31 December 2021 as compared to the revenue of approximately RMB2,830 million for the year ended 31 December 2020, (ii) net profit of approximately RMB91 million to RMB109 million for the year ended 31 December 2021, representing a decrease of approximately 40% to 50% as compared to the net profit of approximately RMB183 million for the year ended 31 December 2020, and (iii) adjusted net profit^(Note 1) for the year ended 31 December 2021 of approximately RMB101 million to RMB119 million, representing a decrease of approximately 35% to 45% as compared to the adjusted net profit^(Note 1) of approximately RMB183 million for the year ended 31 December 2020.

The growth in revenue generated from the Group's comprehensive flexible staffing services remained strong. Nonetheless, there was an overall decrease in the Group's gross profit margin, which was mainly attributable to (i) the relatively significant adjustment in the amount of service premium payable per comprehensive flexible staffing employee according to a new agreement entered into between the Group and a major customer as disclosed in the announcements of the Company dated 30 June 2021, 7 July 2021 and 31 October 2021, resulting in a considerable drop in the gross profit of the projects under the relevant agreement; (ii) the decline in staffing demand of the internet industry, leading to a slowdown in the growth of the demand of the Group's certain customers in the internet industry for comprehensive flexible staffing services and a lower service fee or service premium payable to the Group; and (iii) the regulations issued in the second half of 2021 imposing restrictions on the online education industry, resulting in a lower demand for comprehensive flexible staffing services of customers in such industry and a lower service premium payable to the Group.

Against the background of acceleration of digital transformation of the PRC economy, corporate clients have seen huge demand for information technology and digital talents. Since the second half of 2021, the Group intends to further expand the market for information technology and digital talent services and increase the revenue generated therefrom through organic growth, acquisition and joint cooperation opportunities. Such services involve requirements for professional knowledge and qualification with relatively high industry entry barriers, and therefore is expected to generate a higher gross profit margin. As at 31 December 2021, the number of the Group's employees for information technology and digital talent services had increased to 885^(Note 2) from 195 as at 31 December 2020, with an increase of approximately 353.8%. At the same time, the Group will further expand its comprehensive flexible staffing business in the banking and financial institution industry. As at 31 December 2021, the number of the Group's comprehensive flexible staffing employees serving in banks and financial institutions had increased to 4,174^(Note 3) from 1,260 as at 31 December 2020, with an increase of approximately 231.3%. The above measures could lay a good foundation for the steady growth of the Group's business in 2022.

As the Group is still in the course of preparing and finalising the consolidated annual results for the year ended 31 December 2021 and as such, the information contained in this announcement is only based on the Board's preliminary review of the unaudited consolidated management accounts for the year ended 31 December 2021 and also the management's estimate based on the information currently available to the Board. Hence, the information contained in this announcement has neither been audited or reviewed by the

Company's auditors, nor reviewed or finalised by the audit committee of the Board and may be subject to changes. The Group's consolidated annual results for the year ended 31 December 2021 is expected to be released by the end of March 2022.

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

Note 1: Adjusted net profit refers to the net profit for the year excluding share-based payment expenses under the post-IPO share option scheme and post-IPO share award scheme of the Company. Adjusted net profit for the year is not a measure required by or presented in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The use of this non-HKFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the Company's results or operations or financial condition as reported under HKFRS.

Note 2: Comprising 795 employees providing information technology and digital services to the Group's customers and 90 employees initially retained by Jiangnan Finance Technology (Changzhou) Company Limited to provide information technology and digital services, who were counted as comprehensive flexible staffing employees of the Group upon completion of the acquisition under the sale and purchase agreement entered into by the Group on 15 September 2021. Please refer to the Company's announcement dated 15 September 2021 for more details.

Note 3: Comprising 1,211 comprehensive flexible staffing employees serving the Group's customers and 2,963 comprehensive flexible staffing employees initially retained by Jiangnan Finance Technology (Changzhou) Company Limited and Shanghai Lingshi Human Resources Services Limited, who were counted as comprehensive flexible staffing employees of the Group upon completion of the acquisition under the sale and purchase agreements entered into by the Group on 15 September 2021. Please refer to the Company's announcement dated 15 September 2021 for more details.

By order of the Board
Renrui Human Resources Technology Holdings Limited
Zhang Jianguo
Chairman and Chief Executive Officer

The PRC, 11 March 2022

As at the date of this announcement, the Board comprises Mr. Zhang Jianguo, Mr. Zhang Feng and Ms. Zhang Jianmei as executive Directors; Mr. Chen Rui and Mr. Chow Siu Lui as non-executive Directors; and Ms. Chan Mei Bo Mabel, Mr. Shen Hao and Mr. Leung Ming Shu as independent non-executive Directors.