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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)**

**POSSIBLE CONTINUING CONNECTED TRANSACTIONS IN  
RELATION TO THE TECHNICAL PERSONNEL SUPPLY  
SERVICES FRAMEWORK AGREEMENT**

**BACKGROUND**

Reference is made to the announcement of the Company dated 8 March 2022 in relation to, among other things, purchase of 46.0% of the equity interests in Shanghai Sirui from Dalian Neusoft by Shanghai Ruiying, an indirect wholly-owned subsidiary of the Company. Upon the Completion, Shanghai Sirui will become an indirect non-wholly owned subsidiary of the Company.

The Sirui Group has, in its ordinary course of business, regularly sourced the Technical Personnel Supply Services from the Neusoft Education Group, which is expected to continue after the Completion. In order to streamline these possible continuing connected transactions in relation to the provision of the Technical Personnel Supply Services and to facilitate compliance with relevant requirements under the Listing Rules, the Company and Neusoft Education entered into the Technical Personnel Supply Services Framework Agreement on 21 September 2022 to govern the terms and conditions of such transactions.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Neusoft Education is indirectly held as to approximately 39.21% by Dalian Neusoft, which will hold approximately 43.0% of the equity interest in Shanghai Sirui upon the Completion and therefore will remain as a substantial shareholder of Shanghai Sirui. Upon the Completion, Shanghai Sirui will become an indirect non-wholly owned subsidiary of the Company, and as a result, Neusoft Education, being an associate of Dalian Neusoft, will become a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the transactions contemplated under the Technical Personnel Supply Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio as defined under the Listing Rules) exceeds 1% but is less than 5%, the transactions contemplated thereunder will be subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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Pursuant to the Technical Personnel Supply Services Framework Agreement, Neusoft Education agrees to provide technical personnel supply services to the Group according to separate technical personnel supply services agreements to be entered into by the relevant members of the Group with the relevant members of the Neusoft Education Group from time to time pursuant to the Technical Personnel Supply Services Framework Agreement.

The Technical Personnel Supply Services Framework Agreement shall only take effect upon the Completion. The term of the Technical Personnel Supply Services Framework Agreement will commence from the date of the Completion and end on 31 December 2024 (both days inclusive).

**THE TECHNICAL PERSONNEL SUPPLY SERVICES FRAMEWORK AGREEMENT**

Date: 21 September 2022

Parties: The Company (for itself and on behalf of its subsidiaries, as the service recipient); and  
Neusoft Education (for itself and on behalf of its subsidiaries, as the service provider)

Nature of transactions: Provision of the Technical Personnel Supply Services, namely services of supplying technical personnel, including student secondees, for the provision of information technology and software development outsourcing services to the Group or its clients.

Term: The Technical Personnel Supply Services Framework Agreement shall only take effect upon the Completion and shall last for a fixed term from the date of the Completion and ending on 31 December 2024 (both days inclusive). Within 90 days before its expiry, the parties may extend the term by mutual agreement, subject to compliance with all relevant requirements under the Listing Rules and applicable laws and regulations.

Payment terms: The payment terms for the Technical Personnel Supply Services Framework Agreement will be stipulated in the separate agreements governing each particular transaction entered into pursuant to the Technical Personnel Supply Services Framework Agreement. In general, the relevant members of the Group shall settle the fees payable for the Technical Personnel Supply Services provided by the relevant members of the Neusoft Education Group in the form of bank transfer or such other manner and subject to credit terms as agreed by the parties.

Pricing policy: The fees payable for the Technical Personnel Supply Services are to be determined by the Group and the Neusoft Education Group on normal commercial terms, negotiated on an arm's length basis, and must:

- (i) not be higher than the amount payable by the Group for similar services provided by independent third parties under a pricing policy similar to the applicable pricing policy adopted by the Group in sourcing similar services from independent third parties, and at least two other similar transactions with independent third parties should be considered for such purpose;
- (ii) not be lower than the amount charged by the Neusoft Education Group for the provision of similar services to independent third parties under a pricing policy similar to the applicable pricing policy adopted by the Neusoft Education Group for the provision of similar services to independent third parties (if applicable); and

(iii) refer to the following standards:

- (a) the service fee is to be determined after arm's length negotiation taking into account various factors including related costs associated with the technical personnel supplied plus a profit margin (generally ranging from 10% to 15%) and taxes; and
- (b) in determining the amount of profit margin, the Group and the Neusoft Education Group shall take into account a number of factors, including but not limited to historical rates, number of technical personnel supplied, estimated duration of participation, seniority and experience of individual technical personnel, nature and expectations of the client's requirements, and nature and complexity of the relevant projects.

Based on the above, the Group will implement a series of internal control measures to ensure that the above fees and terms are no less favourable than those offered to the Group by independent third parties for the same or similar services on the same or similar conditions. Please refer to the paragraph headed "Internal Control Measures" below for details.

Annual caps:

The table below sets out the annual caps in respect of the aggregate service fees payable for the Technical Personnel Supply Services as contemplated under the Technical Personnel Supply Services Framework Agreement for the three years ending 31 December 2024:

	<b>From the date of the Completion to 31 December 2022 <i>RMB'000</i></b>	<b>For the year ending 31 December</b>	
		<b>2023 <i>RMB'000</i></b>	<b>2024 <i>RMB'000</i></b>
<b>Annual caps</b>	15,000	30,000	30,000

The annual cap is determined based on the factors and assumptions including, (i) the historical transaction amounts in relation to the aggregate service fees paid by the Sirui Group to the Neusoft Education Group for the provision of technical personnel supply services as set out below; and (ii) the anticipated demand of the Group (mainly through the Sirui Group) for the Technical Personnel Supply Services.

The historical transaction amounts in relation to the aggregate service fees paid by the Sirui Group to the Neusoft Education Group for the provision of technical personnel supply services are as follows:

	<b>For the year ended</b>		<b>For the six</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2020</b>	<b>2021</b>	<b>30 June 2022</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>Historical transaction amounts</b>	58.0	54.6	28.3

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Sirui Group has been sourcing technical personnel, including student secondees, from the Neusoft Education Group in its ordinary course of business. Technical personnel are sourced to provide information technology and software development outsourcing services to the Sirui Group or its clients. Through such cooperation, the Sirui Group could identify potential talents and future employees based on the performance of the student secondees and other technical personnel, whereby expanding its recruitment channels and strengthening its talent reserves.

Nevertheless, with the enhancement of the Sirui Group's own recruitment capabilities, the Sirui Group has been striving to develop its own recruitment channels and minimise reliance on the Neusoft Education Group in the supply of technical personnel over the years. As a result, the Sirui Group expects a decrease in the demand for the Technical Personnel Supply Services going forward, as reflected in the annual caps in respect of the aggregate service fees payable for the Technical Personnel Supply Services proposed above.

Given the transactions contemplated under the Technical Personnel Supply Services Framework Agreement will be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group and the Neusoft Education Group, the Company considered it necessary for Listing Rules compliance purposes and administrative convenience to enter into a framework agreement with Neusoft Education in order to better document and manage these continuing connected transactions.

Taking into account the commercial benefits to the Group, the Directors (including the independent non-executive Directors) consider that the fees and terms of services offered to the Group are in line with market, and they believe that the transactions (including the annual caps) contemplated under the Technical Personnel Supply Services Framework Agreement have been arrived at after arm's length negotiations and entered into in the ordinary and usual course of business and on normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors had a material interest in the transactions contemplated under the Technical Personnel Supply Services Framework Agreement and therefore none of the Directors had abstained from voting in respect of the relevant Board resolutions for considering and approving the Technical Personnel Supply Services Framework Agreement and the transactions contemplated thereunder.

## INTERNAL CONTROL MEASURES

The following internal control measures have been implemented in order to ensure that the Continuing Connected Transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole:

- (i) the Group has established a series of measures to ensure that the Continuing Connected Transactions will be conducted in accordance with the principal terms of the Technical Personnel Supply Services Framework Agreement, such as a designated staff of the operation management department would check and ensure the fees and terms are no less favourable than those offered to the Group by independent third parties for the same or similar services on the same or similar conditions with at least two other similar transactions with independent third parties being considered for such purpose and carry out regular assessments on the pricing and fairness of the terms every year to ensure the fees payable to the Neusoft Education Group are in accordance with the prevailing market prices of the similar services; and the implementation of separate agreements governing each particular transaction must be approved by, depending on size of the transaction, the joint venture and cooperation department, the resource allocation department, the operation management department, the finance management department and chief executive officer to ensure that it is in accordance with the pricing policy;
- (ii) in addition, the finance management department will keep proper documentation of the agreements governing each particular transaction entered into between the relevant members of the Group and the relevant members of the Neusoft Education Group pursuant to the Technical Personnel Supply Services Framework Agreement, and the internal audit department will report to the audit committee of the Company on a quarterly basis whether the internal control measures in respect of the Continuing Connected Transactions remain complete and effective;
- (iii) the finance planning department, the finance management department and the joint venture and cooperation department shall be jointly responsible for monitoring the Continuing Connected Transactions on a monthly basis to ensure such transactions are conducted in accordance with the terms of the Technical Personnel Supply Services Framework Agreement and the transaction amounts do not exceed the annual caps as set out above;



- (iv) the independent non-executive Directors will review the Continuing Connected Transactions, at least annually, to ensure, among other matters, that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the Technical Personnel Supply Services Framework Agreement and relevant agreements governing the transactions on terms that are fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and
- (v) the external auditors of the Company will conduct an annual review on the Continuing Connected Transactions, including the annual caps and their actual utilisation, and confirm, among other matters, whether anything has come to their attention that causes them to believe such transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transaction.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Neusoft Education is indirectly held as to approximately 39.21% by Dalian Neusoft, which will hold approximately 43.0% of the equity interest in Shanghai Sirui upon the Completion and therefore will remain as a substantial shareholder of Shanghai Sirui. Upon the Completion, Shanghai Sirui will become an indirect non-wholly owned subsidiary of the Company, and as a result, Neusoft Education, being an associate of Dalian Neusoft, will become a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the transactions contemplated under the Technical Personnel Supply Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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## INFORMATION OF THE PARTIES

The Company is an exempted company incorporated in the Cayman Islands on 14 October 2011 with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since 13 December 2019 (Stock Code: 6919). The Group is a fast-growing pioneer in the human resources solutions sector in the PRC and a strategic partner for a number of industry leaders, primarily engaged in the provision of comprehensive flexible staffing services, professional recruitment, and other human resources solutions. The Group has reinvented traditional human resources business process with digitalization and new technology innovation. Its one-stop ecological system allows the Group to serve its customers across the PRC in a result-oriented manner and effectively solves large-scale talent recruitment and management problems in the PRC. The Group operates over 60 branches and subsidiaries across the PRC with business coverage in over 300 cities.

Neusoft Education is an exempted company incorporated under the laws of the Cayman Islands on 20 August 2018 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9616). Neusoft Education Group is principally engaged in the provision of private information technology higher education services, information technology training services and education technology services in the PRC.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Acquisition”	purchase of 46.0% of the equity interests in Shanghai Sirui from Dalian Neusoft by Shanghai Ruiying pursuant to the Sale and Purchase Agreement
“associate”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Renrui Human Resources Technology Holdings Limited (人瑞人才科技控股有限公司), an exempted company incorporated in the Cayman Islands on 14 October 2011 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6919)

“Completion”	second completion of the Acquisition being completed
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the provision of the Technical Personnel Supply Services by the Neusoft Education Group to the Group as contemplated under the Technical Personnel Supply Services Framework Agreement
“Dalian Neusoft”	Dalian Neusoft Holdings Co., Ltd.* (大連東軟控股有限公司), a company established under laws of the PRC on 15 November 2011
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Neusoft Education”	Neusoft Education Technology Co. Limited* (東軟教育科技有限公司), an exempted company incorporated under the laws of the Cayman Islands on 20 August 2018 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9616)
“Neusoft Education Group”	Neusoft Education and its subsidiaries
“PRC”	the People’s Republic of China and for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the equity sale and purchase agreement entered into between Shanghai Ruiying and Dalian Neusoft on 7 March 2022 , as amended by supplemental agreement dated 2 June 2022 and second supplemental agreement dated 29 July 2022
“Shanghai Ruiying”	Shanghai Ruiying Human Resources Technology Group Co., Ltd.* (上海瑞應人才科技集團有限公司), a company established under laws of the PRC on 18 February 2022, and an indirect wholly-owned subsidiary of the Company
“Shanghai Sirui”	Shanghai Sirui Information Technology Co., Ltd.* (上海思芮信息科技有限公司), a company established under laws of the PRC on 7 November 2013
“Shareholders”	holders of the shares of the Company
“Sirui Group”	Shanghai Sirui and its subsidiaries
“substantial shareholder”	shall have the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technical Personnel Supply Services”	services of supplying technical personnel, including student secondees, for the provision of information technology and software development outsourcing services to the Group or its clients
“Technical Personnel Supply Services Framework Agreement”	a framework agreement dated 21 September 2022 entered into between the Company and Neusoft Education in relation to the provision of the Technical Personnel Supply Services by the Neusoft Education Group to the Group for a fixed term with effect from the date of the Completion and ending on 31 December 2024 (both days inclusive)

“%”

per cent

*\* For identification purpose only*

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

The PRC, 21 September 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.*