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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)

MAJOR TRANSACTION

**IN RELATION TO THE DISPOSAL OF ENTIRE EQUITY INTERESTS
IN A NON-WHOLLY OWNED SUBSIDIARY OF THE COMPANY**

FORMAL AGREEMENT

Reference is made to the announcements of the Company dated 16 December 2024 and 30 December 2024 in relation to the Disposal. The Board announces that on 10 March 2025, the Seller (an indirect wholly-owned subsidiary of the Company) and the Buyer entered into the Supplemental Agreement setting out the finalized Consideration and other terms and conditions supplementing the Asset Purchase Agreement, which constitute the Formal Agreement. Pursuant to the Formal Agreement, the Seller agreed to sell, and the Buyer agreed to buy, the Target Interest for a total Consideration of RMB320,698,200.0, subject to the terms and conditions of the Formal Agreement.

Upon Completion of the Disposal, the Seller would have no interest in the Target Company, which would cease to be a subsidiary of the Company and the financial results of the Target Company would cease to be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

The Company has applied to the Stock Exchange for the adoption of an alternative size test for the profits ratio in relation to the Disposal pursuant to Rule 14.20 of the Listing Rules and the Stock Exchange agreed with the Company's view that the original profits ratio of the Disposal would produce an anomalous result and accepted the alternative profits ratio proposed by the Company. Based on the alternative profits ratio and other applicable percentage ratios, the highest percentage ratio in respect of the Disposal exceeds 25% but is less than 75%. As a result, the Disposal will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Formal Agreement and the transactions contemplated thereunder and therefore, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Formal Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further details of the Disposal, the Formal Agreement and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) a notice of the EGM to approve the Formal Agreement and the transactions contemplated thereunder, will be despatched to the Shareholders within 15 business days after the publication of this announcement, which is on or before 31 March 2025.

Completion of the Disposal is subject to fulfilment (or, as the case may be, waiver) of conditions precedent and terms and conditions of the Formal Agreement, and therefore, may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcements of the Company dated 16 December 2024 and 30 December 2024 in relation to the Disposal. The Board announces that on 10 March 2025, the Seller (an indirect wholly-owned subsidiary of the Company) and the Buyer entered into the Supplemental Agreement setting out the finalized Consideration and other terms and conditions supplementing the Asset Purchase Agreement, which constitute the Formal Agreement. Pursuant to the Formal Agreement, the Seller agreed to sell, and the Buyer agreed to buy, the Target Interest for a total Consideration of RMB320,698,200.0, subject to the terms and conditions of the Formal Agreement.

SUPPLEMENTAL AGREEMENT

Date

10 March 2025

Parties

- (1) the Buyer (as buyer)
- (2) the Seller (as seller)

Subject matter

Subject to the terms and conditions of the Formal Agreement, the Seller agreed to sell, and the Buyer agreed to buy, the Target Interest, being the entire equity interests held by the Seller (i.e. 46.0%) in the Target Company.

Consideration

Subject to the fulfilment (or waiver by the Buyer) of the Payment Conditions Precedent (as defined below), the Consideration of RMB320,698,200.0 will be settled by the Buyer in two instalments in the following manner:

- (i) the Buyer shall pay the first instalment (the “**First Instalment**”) of RMB128,279,280.0, being 40.0% of the Consideration, as pre-payment to the bank account of the Seller specified in the Payment Notice, within five business days upon the clause stipulating the payment of the First Instalment becoming effective and receipt of the Payment Notice. Such pre-payment shall be treated as part of the Consideration upon the entire Supplemental Agreement becoming effective; and

- (ii) the Buyer shall pay the second instalment of RMB192,418,920.0, being 60.0% of the Consideration, to the bank account of the Seller specified in the Payment Notice within five business days upon completion of the Registration.

The Consideration was agreed upon on normal commercial terms and after arm's length negotiations between the Seller and the Buyer after taking into account, among others:

- (i) the appraised value of the entire equity interests in the Target Company as at the Valuation Date arrived at using income approach, being RMB697,170,000.0, as set out in the valuation report prepared by the Valuer; and
- (ii) the strategic implication of the Disposal to the Company as mentioned in the section headed "Reasons for and Benefits of the Disposal" below.

Since income approach was adopted in the preparation of the valuation report, such valuation constitutes profit forecasts under Rule 14.61 of the Listing Rules and the Company will make further announcement(s) within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

Conditions Precedent

Pursuant to the Supplemental Agreement, payment of the Consideration is subject to the fulfillment or waiver by the Buyer of the following conditions precedent (the "**Payment Conditions Precedent**"):

- (i) Tianjin Ruiyi and Neusoft Holdings have waived their right of first refusal and any other priority rights in respect of the Disposal;
- (ii) the representations and warranties given by the Seller under the Asset Purchase Agreement and the Supplemental Agreement remain true, accurate, complete and not misleading in all aspects as at the date of the respective agreement and on each Payment Date; and the covenants and undertakings to be performed by the Seller on or before the Payment Date have been performed;
- (iii) from the date of the Asset Purchase Agreement to the Payment Date, there have been no events, changes or other circumstances that have had or could reasonably be expected to have a material adverse effect on the Target Company; and
- (iv) the Seller has issued the Payment Notice to the Buyer.

Pursuant to the Supplemental Agreement, the Completion is subject to the fulfillment or waiver by the Seller of the following conditions precedent (the “**Completion Conditions Precedent**”):

- (i) Tianjin Ruiyi and Neusoft Holdings have waived their right of first refusal and any other priority rights in respect of the Disposal;
- (ii) the representations and warranties given by the Buyer under the Asset Purchase Agreement and the Supplemental Agreement remain true, accurate, complete and not misleading in all aspects as at the date of the respective agreement and on the Registration Date; and the covenants and undertakings to be performed by the Buyer on or before the Registration Date have been performed; and
- (iii) the Buyer has paid the First Instalment as pre-payment in accordance with the terms and conditions of Supplemental Agreement.

Completion

Subject to the fulfilment or waiver by the Seller of the Completion Conditions Precedent, the Seller shall complete the Registration and register the Buyer (or a designated wholly-owned subsidiary of the Buyer) as the registered shareholder of the Target Interest within 10 business days upon the entire Supplemental Agreement taking effect. The Buyer shall enjoy all rights and obligations as a shareholder of the Target Interest since the Completion Date.

Profit and loss during the period

The profit and loss of the Target Company during the period from the Valuation Date (excluding such date) to the Completion Date (including such date) shall be enjoyed or borne by the Buyer in proportion to its equity interests in the Target Company upon Completion of the Disposal. After the Completion Date, the Seller may engage auditors to review and/or audit the profit and loss of the Target Company during the period from 1 January 2025 (including such date) to the Completion Date (including such date) for the purpose of compiling financial statements of the Company, in which case the Target Company shall provide necessary assistance.

Default liability and indemnity

The Party who has breached any obligation, representation, warranty and undertaking relating to it under the Supplemental Agreement which has already become effective shall rectify such breach within the time limit as stipulated by the non-defaulting Party. The defaulting Party undertakes to indemnify and compensate the non-defaulting Party for any and all losses,

damages or liabilities suffered and costs or expenses reasonably incurred as a result of such breach. Failing which, the defaulting Party shall pay the non-defaulting Party liquidated damages at the rate of 0.03% of the actual amount of losses suffered for each day of delay.

In the event that the defaulting Party fails to rectify the breach at the request of the non-defaulting Party within the stipulated time limit with a delay of over 30 days or as otherwise provided under the Supplemental Agreement, such breach shall constitute willful breach by the defaulting Party, entitling the non-defaulting Party to rescind the Formal Agreement and request for a payment of 30% of the Consideration from the defaulting Party in addition to other remedies available to it under the Formal Agreement.

In addition, the Seller undertakes to indemnify and compensate the Target Company or its subsidiaries (as applicable) in proportion to the equity interests in the Target Company held by the Seller for any and all losses, damages and fines as a result of any breach or non-compliance with applicable laws and regulations by the Target Company or its subsidiaries during the period when the Target Interest was held by the Seller, in relation to contributions to social insurance and housing provident fund for employees, taxes, land, labor, litigations and other matters as provided under the Supplemental Agreement.

Effectiveness

Clauses in relation to payment of the First Instalment, effectiveness, default liability, termination and other boilerplate clauses shall take effect upon signing of the Supplemental Agreement, while the remaining clauses of the Supplemental Agreement shall take effect upon satisfaction of the following conditions:

- (i) approval and consent from the board of directors and shareholders of the Buyer in relation to the Disposal has been obtained;
- (ii) approval and consent from the Board and the Shareholders in relation to the Disposal has been obtained; and
- (iii) the antitrust approval in relation to the Disposal has been granted by the SAMR (if applicable).

If any of the aforementioned conditions is not satisfied within 270 days from the date of the Asset Purchase Agreement, all provisions of the Supplemental Agreement which have already come into effect shall become invalid and cease to have effect on both Parties, unless otherwise agreed or postponed by the Parties.

Termination

In the event that the Supplemental Agreement and/or the Asset Purchase Agreement becomes invalid or is terminated or rescinded, unless the Parties agree otherwise, the Parties shall act in accordance with the principles of fairness, reasonableness and good faith to restore each other to its position before signing the Asset Purchase Agreement and/or the Supplemental Agreement. In particular, the Seller shall return to the Buyer any pre-payment and/or Consideration it has already paid (with interest calculated at the prevailing bank deposit interest rate), and the Buyer shall conduct the necessary registration/filing to re-register the Seller as the registered shareholder of the Target Interest upon receipt of the refund by the Seller in accordance with the Supplemental Agreement (if applicable).

INFORMATION OF THE PARTIES

Information of the Seller and the Group

The Group is a fast-growing pioneer in the human resources solutions sector of the PRC, primarily engages in the provision of comprehensive flexible staffing services, professional recruitment, and other human resources solutions. The Group has reinvented traditional human resources services with comprehensive digital and cutting-edge technology. Its one-stop ecological system not only allows the Group to serve its customers across the PRC, but also effectively solves the challenges of fast recruitment in mass quantities in the PRC. Relying on the professional staff management, project management and extensive recruitment capabilities of the Group, the professional services of the Group can be quickly expanded to more industries. Currently, the Group operates more than 90 subsidiaries and branch offices across the PRC with business coverage in over 300 cities.

The Seller is an indirect wholly-owned subsidiary of the Company and the principal activity of the Seller is investment holding.

Information of the Buyer

The Buyer is a company established under laws of the PRC on 17 June 1991 and listed on the Shanghai Stock Exchange (stock code: 600718). The Buyer primarily engages in the provision of information technology services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, except that (i) the Buyer is held by Neusoft Holdings, which holds 43.0% of the equity interests in the Target Company and therefore a connected person of the Company at the subsidiary level, as to approximately 14.5% of its equity interests; (ii) one

director of Neusoft Holdings acts as director of the Buyer, one director of Neusoft Holdings acts as supervisor of the Buyer and one supervisor of Neusoft Holdings acts as supervisor of the Buyer; and (iii) one director of the Buyer indirectly holds less than 6.0% interest in Tianjin Ruiyi, which holds 11.0% of the equity interests in the Target Company and therefore a connected person of the Company at the subsidiary level, the Buyer is independent from the Company and its connected persons.

Information of the Target Company

The Target Company is a company established under laws of the PRC on 7 November 2013. The Target Company is an information technology and software service provider committed to providing digital transformation and information technology services to customers.

As at the date of this announcement, the Target Company was held as to 46.0% by the Seller, 43.0% by Neusoft Holdings and 11.0% by Tianjin Ruiyi. Upon Completion of the Disposal, the Seller would have no interest in the Target Company, which would cease to be a subsidiary of the Company and the financial results of the Target Company would cease to be consolidated into the Group's financial statements.

Financial Information of the Target Company

Set out below is the unaudited consolidated financial information for the two years ended 31 December 2022 and 31 December 2023 of the Target Company prepared in accordance with the HKFRS:

	Year ended 31 December 2023 <i>RMB (million)</i>	Year ended 31 December 2022 <i>RMB (million)</i>
Revenue	941.6	904.7
Profit (before taxation)	60.8	42.6
Profit (after taxation)	60.1	38.9

The unaudited consolidated net asset value of the Target Company as at 30 June 2024 prepared in accordance with the HKFRS amounted to RMB322,451,079.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion of the Disposal, the Group would have no interest in the Target Company, which would cease to be a subsidiary of the Company and the financial results of the Target Company would cease to be consolidated into the Group's financial statements.

The Group expects that the Disposal would not have a material financial impact on the Group's profit for the year ending 31 December 2025. Such estimate is based on, among other things, that (i) the Consideration for the Disposal amounts to approximately RMB320.7 million, and (ii) as disclosed in the profit warning announcement of the Company dated 10 March 2025, since an impairment provision of approximately RMB130.9 million is expected to be recorded against the goodwill arising from the acquisition of the Target Company in the Company's financial statements for the year ended 31 December 2024, the unaudited remaining book value of the Target Company held by the Seller would be approximately RMB320.7 million.

The above calculations are estimates for illustrative purpose only and do not represent the financial position of the Group upon Completion of the Disposal. The actual gain/loss on the Disposal will be determined based on the financial position of the Group upon Completion of the Disposal and may differ from the above estimation.

USE OF PROCEEDS

The Group intends to use the net cash proceeds as general working capital for the daily operation of the Group, development and expansion of the Group's digital technology and cloud services business and implementation of the Group's future global expansion strategies.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The reasons for and benefits of the Disposal are as follows:

- (i) the original acquisition of 46.0% equity interests in the Target Company in 2022 was conducted with a view to accelerating the Group's expansion in the information technology and software outsourcing services industry and facilitating the Group's strategic upgrade. By absorbing and integrating the Target Company's technical expertise, successful bidding cases and service experience in the past two years, the Group has quickly established its own service capabilities in the provision of information technology and software outsourcing services. By leveraging the Target Company's expertise in sales and customer service in the finance, advanced manufacturing and high-tech industries, the Group has also

expanded its customer base of information technology and software outsourcing services to include customers in various industries, such as new energy, telecommunication and automobile sectors. As a result, the revenue generated from the organic growth of the digital technology and cloud services business of the Group increased from approximately RMB288.1 million in 2022 to approximately RMB810.9 million in 2023, representing an increase of approximately 181.5%. In the first half of 2024, the revenue generated from the organic growth of the digital technology and cloud services business of the Group amounted to approximately RMB522.8 million, increasing by approximately 82.4% compared to the first half of 2023, which surpassed the revenue contributed by the Target Company to the digital technology and cloud services business in the first half of 2024, being RMB425.4 million. Therefore, the Board believes the Company has already developed its own service capabilities and customer coverage in the information technology and software outsourcing services industry, and the Disposal would not have a significant adverse impact on the Group's future development in the information technology and software outsourcing services industry;

- (ii) based on the Target Company's recent operating results and cash flow with reference to the Group's financial budget, its financial performance and business growth could not meet the Group's expectation, and the revenue growth rate of the Target Company was also lower than the Group's expectation; and
- (iii) taking into account the Group's current working capital and gearing ratio, the Disposal is able to enhance the Group's cash reserve, improve the gearing ratio, and provide funds to continue the Group's rapid organic growth in digital technology and cloud services business and to implement the Group's future global expansion strategies.

In light of the above, the Directors are of the view that the Formal Agreement was entered into on normal commercial terms, and the terms and conditions of the Formal Agreement (including the Consideration) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the Formal Agreement and the transactions contemplated thereunder, no Director is required to abstain from voting on the relevant Board resolutions for approving the Formal Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

The Company has applied to the Stock Exchange for the adoption of an alternative size test for the profits ratio in relation to the Disposal pursuant to Rule 14.20 of the Listing Rules and the Stock Exchange agreed with the Company's view that the original profits ratio of the Disposal would produce an anomalous result and accepted the alternative profits ratio proposed by the Company. Based on the alternative profits ratio and other applicable percentage ratios, the highest percentage ratio in respect of the Disposal exceeds 25% but is less than 75%. As a result, the Disposal will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Formal Agreement and the transactions contemplated thereunder and therefore, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Formal Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further details of the Disposal, the Formal Agreement and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) a notice of the EGM to approve the Formal Agreement and the transactions contemplated thereunder, will be despatched to the Shareholders within 15 business days after the publication of this announcement, which is on or before 31 March 2025.

Completion of the Disposal is subject to fulfilment (or, as the case may be, waiver) of conditions precedent and terms and conditions of the Formal Agreement, and therefore, may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Asset Purchase Agreement”	the asset purchase by cash consideration agreement dated 30 December 2024 entered into by the Seller and the Buyer in relation to the Disposal, as detailed in the announcement of the Company dated 30 December 2024
“Board”	the board of directors of the Company
“Buyer”	Neusoft Group Co., Ltd.* (東軟集團股份有限公司), a company established under laws of the PRC on 17 June 1991 and listed on the Shanghai Stock Exchange (stock code: 600718)
“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”	completion of the Disposal in accordance with the terms and conditions of the Formal Agreement
“Completion Date”	the date upon which the Buyer has settled the Consideration in full in accordance with the Supplemental Agreement
“Consideration”	the total consideration payable by the Buyer to the Seller for the Target Interest in accordance with the Formal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Target Interest by the Seller to the Buyer in accordance with the Formal Agreement

“EGM”	an extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Formal Agreement and the transactions contemplated thereunder
“Formal Agreement”	the Asset Purchase Agreement as supplemented and amended by the Supplemental Agreement
“Group”	the Company together with its subsidiaries
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Neusoft Holdings”	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
“Parties”	parties to the Formal Agreement, i.e. the Buyer and the Seller; and a “Party” refers to either of the Parties
“Payment Date”	the date upon which the Buyer pays any instalment of the Consideration in accordance with the Supplemental Agreement
“Payment Notice”	the payment notice to be issued by the Seller to the Buyer confirming all Payment Conditions Precedent have been fulfilled or waived by the Buyer and setting out the bank account details of the Seller for receipt of the Consideration
“percentage ratio”	shall have the meaning under Rule 14.04(9) of the Listing Rules

“PRC”	the People’s Republic of China and for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registration”	registration and/or filing at the competent local branch of the SAMR as required under applicable laws and regulations relating to the Disposal
“Registration Date”	the date upon which the Registration is completed
“RMB”	Renminbi, the lawful currency of the PRC
“SAMR”	the State Administration for Market Regulation of the PRC (中國國家市場監督管理總局)
“Seller”	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 the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder”	holder of the ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	a supplemental agreement setting out the finalized Consideration and other terms and conditions supplementing and amending the Asset Purchase Agreement entered into by the Parties on 10 March 2025
“Target Company”	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, including its subsidiaries as the context requires
“Target Interest”	46.0% of the equity interests in the Target Company held by the Seller

“Tianjin Ruiyi”	Tianjin Ruiyi Enterprise Management Consulting Center (Limited Partnership)* (天津芮屹企業管理諮詢中心(有限合夥)), a limited partnership established under laws of the PRC on 27 August 2020
“Valuation Date”	the benchmark date for determining the appraised value of the entire equity interests of the Target Company as adopted by the Valuer, being 31 October 2024
“Valuer”	Liaoning branch of Beijing Zhongtianhe Assets Appraisal Co., Ltd.* (北京中天和資產評估有限公司遼寧分公司), a professional asset valuer and an Independent Third Party
“%”	per cent

** If there is any inconsistency between the Chinese names of the PRC entities, enterprises or nationals and their English translations in this announcement, the Chinese names shall prevail. The English translation of the PRC entities, enterprises or nationals marked with “*” are for identification purpose only.*

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

The PRC, 10 March 2025

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 as non-executive Director; and Ms. Chan Mei Bo Mabel, Mr. Shen Hao and Mr. Leung Ming Shu as independent non-executive Directors.