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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY OF ANNUAL RESULTS

	For the year ended 31 December		
	2024	2023	**Change**
RESULTS	**RMB'000**	RMB'000	
Revenue	**5,473,251**	4,472,172	**22.4%**
Gross profit	**498,831**	422,498	**18.1%**
Operating (loss)/profit	**(23,270)**	82,793	**N/A**
(Loss)/profit for the year	**(58,212)**	67,786	**N/A**
(Loss)/profit attributable to the equity holders of the Company	**(70,970)**	41,045	**N/A**
NON-HKFRS MEASURES			
Adjusted profit for the year	**114,390**	105,125	**8.8%**
Adjusted profit attributable to the equity holders of the Company(1)	**87,888**	68,249	**28.8%**
Adjusted net profit margin attributable to the equity holders of the Company (%)(2)	**1.6**	1.5	**0.1**

Notes:

(1) Adjusted profit for the year and adjusted profit attributable to the equity holders of the Company refers to the profit for the year and profit attributable to the equity holders of the Company excluding items which do not relate to the ordinary course of business of the Group and are non-recurring in nature, including amortisation of intangible assets resulting from acquisition, impairment of goodwill, net fair value gain or loss in relation to equity investments and share-based payment expenses. Adjusted profit for the year and adjusted profit attributable to the equity holders of the Company are not measures required by or presented in accordance with HKFRS. The use of such non-HKFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under HKFRS. Please refer to the paragraph headed "Non-HKFRS Measures" under "MANAGEMENT DISCUSSION AND ANALYSIS - FINANCIAL REVIEW" in this announcement for more details.

(2) Adjusted net profit margin attributable to the equity holders of the Company is calculated as the adjusted profit attributable to the equity holders of the Company as a percentage of the revenue for the year.

DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: HK$0.09 per Share).

BUSINESS REVIEW AND OUTLOOK

In 2024, in the face of a complex and severe situation arising from increasing external pressures and accumulating internal difficulties, the PRC government launched a package of policies in a timely manner, which has intensified macroeconomic control, effectively boosted social confidence, and promoted a significant economic recovery. According to the PRC 2024 Gross Domestic Product ("**GDP**") Preliminary Results (2024年國內生產總值初步核算結果) issued by the National Bureau of Statistics on 18 January 2025, a 5% year-on-year growth in GDP was ultimately achieved. The Group has also proactively leveraged on the opportunities arising from the government's macro-control policies by focusing its business development on IT talents business. Against the backdrop of the digital transformation of enterprises and the national trend of promoting new quality productivity and high-quality development, the gap in the market for IT talents continues to widen, with demand outstripping supply.

The Group has firmly seized the opportunity arising from the high demand for IT talents during the digital transformation of enterprises and focused its strengths on the development of digital technology and cloud services. As at 31 December 2024, the number of the Group's IT talents reached 11,834, representing an increase of 2,365, or approximately 25.0%, as compared to 9,469 as at 31 December 2023. Among them, the organic growth of the number of IT talents reached 6,899 as at 31 December 2024, representing an increase of 1,827 persons, or approximately 36.0%, as compared with 5,072 as at 31 December 2023. In addition, the number of comprehensive flexible staffing employees for general service outsourcing reached 26,319 as at 31 December 2024, representing an increase of 3,399, or approximately 14.8%, as compared to 22,920 as at 31 December 2023. The organic growth in the number of comprehensive flexible staffing employees enabled the Group to achieve revenue of approximately RMB5,473.3 million and gross profit of approximately RMB498.8 million for the year ended 31 December 2024. However, the impressive performance of organic growth cannot overshadow the impact of the financial performance and business growth of the Company's non-wholly owned subsidiary, Shanghai Sirui, which failed to meet the Group's expectations. Therefore, after giving due consideration to the recent operating results and cash flows of Shanghai Sirui and taking into account the future market outlook, the Group recorded an impairment provision of approximately RMB130.9 million against the goodwill arising from the acquisition of Shanghai Sirui in its financial statements for the year ended 31 December 2024. As a result, the Group recorded loss for the year and loss attributable to the equity holders of the Company for the year ended 31 December 2024 amounting to approximately RMB58.2 million and RMB71.0 million, respectively. The Board and senior management of the Company deeply apologize for this.

BUSINESS REVIEW

Steady Development of Main Business and Continuous Speedy Organic Growth

Looking back to 2024, stable growth was shown in the revenue from each business line of the Group. The Group's revenue increased from approximately RMB4,472.2 million for the year ended 31 December 2023 to approximately RMB5,473.3 million for the year ended 31 December 2024, representing an increase of approximately RMB1,001.1 million or 22.4%. Of which, during the year ended 31 December 2024, revenue generated from general service outsourcing amounted to approximately RMB3,010.1 million, representing an increase of approximately RMB594.4 million or 24.6% as compared to approximately RMB2,415.7 million for the year ended 31 December 2023; revenue generated from digital technology and cloud services amounted to approximately RMB2,144.5 million for the year ended 31 December 2024, representing an increase of approximately RMB392.0 million or 22.4% as compared to approximately RMB1,752.5 million for the year ended 31 December 2023; and revenue generated from digital operation and customer services amounted to approximately RMB270.5 million for the year ended 31 December 2024, representing an increase of approximately RMB11.2 million or 4.3% as compared to approximately RMB259.3 million for the year ended 31 December 2023. The revenue growth was attributable to the increase in the number of employees for various business lines under the comprehensive flexible staffing services and the number of comprehensive flexible staffing employees increased from 35,908 at at 31 December 2023 to 41,868 at at 31 December 2024. In particular, the number of comprehensive flexible staffing employees of organic growth business increased from 29,903 as at 31 December 2023 to 35,736 as at 31 December 2024.

Digital technology and cloud services

As the priority of development was set to be digital technology and cloud services in recent years, the Group reorganized its internal structure and established a second business group, which mainly focused on cultivating customers' demand for comprehensive flexible staffing of IT talents. Therefore, over 2,000 comprehensive flexible staffing employees were added to the digital technology and cloud services in 2023 and 2024 for two consecutive years. As at 31 December 2024, we have around 11,834 IT talents seconded to our clients, among which Internet, communications and automotive sectors accounting for approximately 21.9%, 17.1% and 16.0%, respectively, with around 27 clients each engaging over 100 flexible staffing employees. We actively responded to the demand for AI technological talents during enterprise digital transformation. In 31 December 2024, the Group provided 507 comprehensive flexible staffing employees for positions that are closely related to AI technology, including AI trainer, data algorithm engineer and AI product tester. In addition, evolving digital technology and cloud services made an impressive contribution to the gross profits of the Group. For the year ended 31 December 2024, the gross profit generated from the Group's digital technology and cloud services achieved approximately RMB275.4 million, representing an increase of approximately RMB34.8 million or 14.5% as compared to approximately RMB240.6 million for the year ended 31 December 2023. For the year ended 31 December 2024, the gross profit from digital technology and cloud services accounted for approximately 55.2% of the Group's overall gross profit.

General service outsourcing

General service outsourcing business remains in a stable development status acting not only as the foundation of revenue and profits growth of the Group but also the solid backup for the Group's new businesses, such as digital technology and cloud services, as well as the global expansion strategy. During the year ended 31 December 2024, revenue generated from general service outsourcing amounted to approximately RMB3,010.1 million, representing an increase of approximately RMB594.4 million or approximately 24.6% as compared to approximately RMB2,415.7 million for the year ended 31 December 2023. We uphold the operating strategy of serving large-scale client. The revenue growth of general service outsourcing businesses was mainly driven by rising staffing demand from our strategic customers with a significant rise in staffing demand of new customers. While we are committed in serving the technology and internet industries, we have also diversified our customer base to include retail, finance, new energy vehicles and other industries. As at 31 December 2024, we have around 26,319 general service talents seconded to our clients, among which technology and internet, finance and retail industries accounting for approximately 68.9%, 12.6% and 9.6%, respectively. In terms of the position of seconded staff, in additional to our traditional strengths in customer service and information review positions, we have also expanded into positions with higher service value and longer service term, such as middle and back office operations, human resources and administration. In order to meet client's satisfaction on staffing demand, we keep offering candidates who are suitable for different job requirements. This can bring us more cooperation opportunities with new and existing customers and deepen their engagement. As at 31 December 2024, the Company supplied 5,131 comprehensive flexible staffing employees to middle and back office operations, human resources and administration positions. In the context of client retrenchment amid increasing uncertainties affecting macroeconomic growth, the extension of our service to positions with higher service value and longer service term can partially offset the pressure brought by offering customer service and information review positions only and further improve the gross margin of general service outsourcing business.

Digital operation and customer service

During the year ended 31 December 2024, digital operation and customer service recorded revenue of approximately RMB270.5 million, representing an increase of approximately RMB11.2 million or 4.3% as compared to approximately RMB259.3 million for the year ended 31 December 2023. As at 31 December 2024, the number of comprehensive flexible staffing employees providing digital operation and customer service were about 3,715, representing an increase of approximately 196 compared to approximately 3,519 as at 31 December 2023. In 2022 and 2023, the Company had shut down some digital operation and customer service centers with low operational efficiency and concentrated on those scalable and promising ones in Yingkou, Chengdu and Tai'an. At the same time, we have concentrated on improving the operational efficiency of our digital operation and customer service business, while seeking ways to enhance product gross profit margins. The businesses' gross profit margin increased by approximately 0.8 percentage points to approximately 14.8% for the year ended 31 December 2024 from approximately 14.0% for the year ended 31 December 2023.

Recruitment

During the year ended 31 December 2024, revenue generated from professional recruitment business decreased by approximately RMB5.1 million to approximately RMB24.3 million from approximately RMB29.4 million for the year ended 31 December 2023. In 2024, we only recruited 4,512 employees for customers. Our customers acted cautiously on staff expansion as economic growth faced various difficulties and challenges in respect of both the internal and external environments. They preferred to procure services for certain positions from human resource companies in the form of flexible staffing, so as to reduce costs, which elevates the needs for comprehensive flexible staffing employees. Hence, we dedicated to enlarging the number of comprehensive flexible staffing employees and bringing the Group an on-going revenue. During the year ended 31 December 2024, we recruited a total 40,691 staff members for customers, which include, in addition to the 4,512 employees recruited under professional recruitment business, 34,853 comprehensive flexible staffing employees and 1,326 employees for dispatching and other human resource resolutions. The recruited comprehensive flexible staffing employees consist of 19,732 for general service outsourcing business, 10,238 for digital technology and cloud services and 4,883 for digital operation and customer service.

International business

During the period from 2020 to 2022, the Company and its global human resource partners made a joint effort to build a service system, offering local HR services for the overseas business of some of our customers. Relying on that, in 2024, the Group determined to further emphasize our local service capabilities under international businesses in various overseas markets, rolling out our global expansion strategy. As at 31 December 2024, the Group established subsidiaries in 12 countries and regions including Malaysia, Vietnam and Thailand, of which the Group first started local flexible staffing service in Malaysia. Meanwhile, we also dispatched managers based in Malaysia, Vietnam, Thailand, and Indonesia to form local service teams. The Company's international business prioritised supporting the Chinese companies that the Group already served to expand overseas by providing local human resources services including comprehensive flexible staffing, professional recruitment and work visa application. For the year ended 31 December 2024, the international business generated revenue of approximately RMB19.6 million.

Research and development (R&D) of the integrated HR ecosystem

In 2024, we made further investments in the R&D on the foundation of our original integrated HR ecosystem, in order to ensure that the Group's HR ecosystem remains at the forefront of the industry. The Group recorded R&D expenses of approximately RMB60.5 million taking into account R&D expenses made by Shanghai Sirui.

(a) Development of New Systems and Platforms

In 2024, we completed the development of Rui Ma, a WeChat mini program - Rui Ma, designed for the service and management of IT talents. Building on the traditional comprehensive flexible staffing employee service and management platform, which includes functions such as clocking in, attendance, onboarding and offboarding procedures, and internal referrals, we added features tailored to the specific employment needs of IT talents, including skill training, promotion of information security awareness and employee feedback channels.

In line with the existing national social security and housing fund collection and management model, we have initiated the development of a dedicated platform for social security and housing fund management. This platform centralises the calculation and payment of social security and housing funds for employees under general service outsourcing employees, IT talents, digital operations and customer service employees, as well as internal employees. We have also gradually integrated it with the national collection system to ensure that the management of employees' social security and housing fund contributions is synchronised with the employee register. In practice, the platform provides immediate feedback on social security and housing fund deductions, allowing for the verification of discrepancies between the calculated amounts and actual payments. This ensures timely contributions and prevents underpayments or missed payments.

(b) Optimisation of Existing Systems and Platforms

We further optimised the client management system by adding a business dashboard. Through the dashboard, we can now manage the targets for sales personnel online by allocating the collection targets of trade receivables to each sales representative, and associating these with the sales representative's bonus calculation and budget for entertainment, travel expenses and other expenditures. This function helps encourage sales representatives to take greater initiative in their roles.

We developed an operational data dashboard for better management of our internal employees, with a particular focus on employee performance management. The dashboard provides a more intuitive and timely way to provide feedback on employee performance to the managers of each business unit, allowing for effective tracking of target achievement.

To meet the growing management demands driven by the increasing number of IT talents, the Group has further optimised Ruizhi System, the management system for outsourcing IT employees. This enhancement has enabled the automatic generation of billing statements for clients and its integration with Rui Ma, the newly developed WeChat mini program.

By utilising our integrated HR ecosystem, we have further enhanced staff efficiency. The net profit per capita generated by our internal staff in the past two years is set out as follows:

	2024	2023
Adjusted profit for the year (non-HKFRS) (RMB'000)	**114,390**	105,125
Average number of internal employees *(Note)*	**1,088**	1,042
Adjusted profit per capita for the year (non-HKFRS) (RMB'000/person)	**105.1**	100.9

Note: The average number of internal employees for a year was calculated by adding the number of internal employees at the end of a given year with the number of internal employees at the end of the previous year and divided by two.

HR

As at 31 December 2024, we had a total of 44,058 employees including 1,168 internal employees, 41,868 comprehensive flexible staffing employees and 1,022 labour dispatch employees. All of our internal employees hold a university degree or higher, and their strong educational background enables us to provide clients with more professional HR services. The table below sets forth the total number of employees by function as at 31 December 2024:

Function	Number of Employees	% of total Employees
Internal Employees		
— Senior management	4	0.0
— R&D *(Note (i))*	143	0.3
— Sales and marketing	118	0.3
— Project management/execution	733	1.7
— Others *(Note (ii))*	170	0.4
Subtotal	**1,168**	**2.7**

Function	Number of Employees	% of total Employees
Contract Employees		
— Comprehensive flexible staffing employees	41,868	95.0
— Labour dispatch employees	1,022	2.3
Subtotal	**42,890**	**97.3**
Total	**44,058**	**100.0**

Notes:

(i) Including 120 R&D employees at Shanghai Sirui.

(ii) Others mainly include back-office support staff, such as legal department, finance department, and HR department.

OUTLOOK AND FUTURE STRATEGY

Deeply Cultivate the Digital Transformation Needs of Enterprises to Grasp the Market Potential Brought by AI Technology

As disclosed in the announcement of the Group published on 10 March 2025, upon completion of the disposal of Shanghai Sirui, the Group would have no interest in Shanghai Sirui, which would cease to be a subsidiary of the Company and its financial results would cease to be consolidated into the Group's financial statements. Nevertheless, as the PRC government continues to advocate new quality productivity and promote high-quality development to drive digital transformation in various industries, the Group is expected to continue to its growth trend by virtue of its experience in information technology talent recruitment, personnel management and service accumulated over the past few years and through continuous improvement of operational efficiency and service quality. The Group aims to drive sustained and rapid growth in digital technology and cloud services through organic expansion.

The recruitment and management of information technology talents play an important role in the digital transformation of enterprises. Starting with talent recruitment, the Group combines personnel management, performance management, employee qualification assessment and career development planning to help customers achieve an effective connection between talent management and business development.

In addition, on 7 March 2025, the Group entered into a joint venture agreement with Beyondsoft Shanghai, a subsidiary of Beyondsoft Corporation to establish a joint venture for providing IT talent services. Beyondsoft Corporation agreed to, depending on business conditions, refer its customers in demand for the IT talent services to the joint venture entity and/or subcontract existing contracts with certain customers for the provision of IT talent services to the joint venture entity as contemplated under the joint venture agreement. As a result, the establishment of the joint venture entity represented a good opportunity for the Group to gain access to reputable clientele leveraging on the existing resources and technical capabilities of Beyondsoft Corporation and further expand the provision of IT talent services, so as to bring new momentum to the growth of the Group's digital technology and cloud services.

Implement a Global Expansion Strategy to Expand Our Services into New Markets

In order to have more opportunities to serve Chinese companies operating overseas, we plan to complete the goal of establishing subsidiaries in over 20 countries and regions around the world in 2025, in light of the fact that we have already established subsidiaries in 12 countries and regions around the world in 2024. Meanwhile, we will focus on the operations in five countries and regions in 2025, namely Hong Kong, Vietnam, Malaysia, Thailand and Indonesia to gradually establish local recruitment, salary accounting and service teams, thus providing recruitment, general service outsourcing, digital technology and cloud services and work visa services to Chinese enterprises in these countries and regions. In addition, we will also select 1 or 2 countries around the world with cost advantages and stable policies to establish digital operation and customer service centers, developing multilingual digital operation and customer services.

In the process of international business development, the Group is progressively developing an information system of recruitment, salary accounting and personnel management in combination with the needs of customers and the regulatory frameworks of the places where we operate, which not only ensures the compliance operation of local business through the system, but also improves management efficiency.

On top of the four national managers we have already dispatched, we will continue to send more national managers based on business development. Leveraging our service experience in China and the Group's established training system for recruitment consultants, comprehensive flexible staffing service personnel and salary accounting personnel, we aim to cultivate a pool of local management talents to provide long-term support for Chinese enterprises operating in these countries.

Create an Ecological Chain of Talents and Build Competitive Barriers to Enhance Service Value

As an investee company of the Group, the Wanmayoucai recruitment platform specialises in IT talent recruitment. Compared to other online recruitment platforms, Wanmayoucai offers the following distinctive features:

For Job Seekers:

Based on the records of job seekers' professional skills and job-seeking behaviours, combined with client's recruitment needs, and leveraging AI technologies, Wanmayoucai has developed a full-cycle growth system that spans from candidate's career planning to job-seeking assistance and talent development, covering career positioning, competency assessment, simulated interview, resume optimisation, job-matching, skill enhancement, and other functions. AI-driven insights into candidates' preferences allow the platform to provide job recommendations and skill enhancement programes, offering continuous support from career uncertainty to rapid professional growth. This enables IT talents to enhance their skills and develop professional skills that are compatible with their intended positions.

For Employers:

Enpowered by the four leading AI technologies such as Ernie Bot, Qwen, iFlytek Spark and DeepSeek, Wanmayoucai has built a competency model covering a wide range of IT positions. By developing skills of the position and mapping them against candidates' capabilities based on the information obtained from intelligent matching, AI-driven communication and smart testing, the platform automatically generates job-candidate matching reports, empowering HR departments and recruitment consultants to improve hiring efficiency. This revolutionises traditional recruitment methods, which rely solely on CV assessments. Additionally, it increases the reuse rate of candidates by enabling those registered on Wanmayoucai recruitment platform to be recommended to multiple companies.

With the above-mentioned advantages of Wanmayoucai recruitment platform, the Group's recruiting consultants have been able to access candidates at a lower cost, improve recrutment efficiency and speed up the recruitment, which gradually forms the Group's recruitment barriers in information technology talents.

Insist on Organic Growth and Build a Vibrant Moat for Long-Term Sustainable Development

Establishing a dynamic competitive advantage for a human resources company is no easy feat. Therefore, the Group will meet the ever-changing demands of clients through market expansion, product innovation and technological advancements.

In terms of market expansion, we are consolidating our leading position in domestic market while strategically expanding globally. Our international strategy is to continue serving the clients we already cooperated with in China and support their global expansion by providing localised HR services for their subsidiaries outside China. Through this global strategy, we are transitioning from meeting a single demand of our clients to offering services that address their multidimensional needs, and shifting from one-time transactions to long-term partnerships.

In terms of product innovation, after years of focusing on the IT talent demands in industries such as new energy vehicles, the internet and intelligent manufacturing, the number of IT talents of the Group has reached 11,834. Throughout the years, we have gradually developed a "Iron Triangle" flexible staffing service system that achieved customised recruitment, standardised labour management and systematic business management. We are confident that our flexible staffing service for IT talents will rank among the industry's top tier. Additionally, we aim to develop the digital technology and cloud services as the Group's second growth engine to drive long-term business growth.

In terms of technological innovation, the Group will (i) further improve the integrated human resources ecosystem by continuously developing new features and improving data dashboard to meet business needs; and (ii) the Wanmayoucai recruitment platform, an investee of the Group, will continue to explore AI applications in recruitment to enhance efficiency and accuracy, and gradually develop a long-term growth of talent ecology between the platform and candidates. By integrating the new recruitment platform into the Group's recruitment business and leveraging the well-established advantages of the Group, we aim to systematically build an absolute advantage in recruitment technology and efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the total revenue of the Group amounted to approximately RMB5,473.3 million, representing an increase of approximately RMB1,001.1 million or 22.4% as compared to approximately RMB4,472.2 million for the year ended 31 December 2023. This was attributable to the growth in all business segments of the Group.

The Group's revenue by respective business segments for the year ended 31 December 2024 are as follows:

	2024		2023	
	Revenue RMB'000	**% of total revenue**	Revenue RMB'000	% of total revenue
Comprehensive flexible staffing	**5,425,024**	**99.1**	4,427,506	99.0
Professional recruitment and other HR solutions	**48,227**	**0.9**	44,666	1.0
Total	**5,473,251**	**100.0**	4,472,172	100.0

Adhering to our strategy of focusing on serving large-scale clients, we recorded a revenue of approximately RMB1,916.7 million from our top five clients for the year ended 31 December 2024, accounting for approximately 35.0% of the total revenue for the year, with the largest client accounting for approximately 11.3% of the total revenue for the year. We have been continuously optimizing our client structure and mitigating the high concentration risk of single large client. The average years of cooperation with our top ten clients was approximately 7.7 years. After years of dedicated efforts in expanding our client base within the intelligent manufacturing sector, we achieved a significant milestone in the year ended 31 December 2024. A renowned automotive manufacturer and a leading provider of communication products and solutions ranked among our top ten clients, underscoring the Group's enhanced capability in delivering comprehensive human resources solutions across diverse industries. We established a business department to actively explore clients beyond internet sector in 2022. After years of operation, revenue from industries including Internet, high-tech and high-end manufacturing industry covering automotive and communications, finance and retail accounted for approximately 53.0%, 21.1%, 9.4% and 4.3% for the year ended 31 December 2024.

Comprehensive Flexible Staffing

The Group's revenue from comprehensive flexible staffing services for the year ended 31 December 2024 amounted to approximately RMB5,425.0 million, representing an increase of approximately RMB997.5 million or 22.5% as compared to approximately RMB4,427.5 million for the year ended 31 December

2023, mainly driven by the increased number of the comprehensive flexible staffing employees. The number of the Group's comprehensive flexible staffing employees increased by 5,960 from 35,908 as at 31 December 2023 to 41,868 as at 31 December 2024, representing an increase of approximately 16.6%. Among which: (i) for general service outsourcing, we proactively expanded demand for flexible staffing by new industries other than technology and internet, exploring cost reduction and efficiency improvement for customers through the adoption of flexible staffing for middle-back-office operations, human resources, and administrative and other positions. As at 31 December 2024, our number of employees under general service outsourcing provided to clients reached 26,319 personnel, representing an increase of 3,339 personnel or approximately 14.8% compared with 22,920 personnel recorded as at 31 December 2023; and (ii) amid the digital transformation of Chinese enterprises, the Group has, in recent years, strategically advanced digital technology and cloud services to seize emerging market opportunities. As at 31 December 2024, our number of IT talents provided to clients reached 11,834 professionals, representing an increase of 2,365 or approximately 25.0% from 9,469 personnel registered as at 31 December 2023. For the year ended 31 December 2024, we recruited 34,853 comprehensive flexible staffing employees, among which 10,238 are IT talents.

The monthly turnover rate of comprehensive flexible staffing employees was approximately 6.8% for the year ended 31 December 2024, representing a decrease from approximately 8.3% for the year ended 31 December 2023. In addition to the declining willingness of comprehensive flexible staffing employees to voluntarily resign amid the complex and challenging economic climate, through our integrated human resources ecosystem and data dashboard, the flexible staffing delivery and service management team can monitor employee changes in each project in real time. For projects with high turnover rate, we collaborate with on-site service teams to analyze issues and propose tailored solutions. These include enhancing employee care during induction training period and improving recruitment accuracy by gaining a deeper understanding of client requirements for candidates and communicating the same to the recruitment team. By leveraging the system, we connect remote management with localised on-site services to lower the turnover rate of comprehensive flexible staffing employees.

The following table sets forth our revenue by service type for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Revenue RMB'000	**% of total revenue**	Revenue RMB'000	% of total revenue
General service outsourcing	**3,010,094**	**55.5**	2,415,680	54.6
Digital technology and cloud services	**2,144,475**	**39.5**	1,752,526	39.6
Digital operation and customer services	**270,455**	**5.0**	259,300	5.8
Total in comprehensive flexible staffing services	**5,425,024**	**100.0**	4,427,506	100.0

For the year ended 31 December 2024, revenue from general service outsourcing was approximately RMB3,010.1 million, representing an increase of approximately RMB594.4 million or approximately 24.6% from approximately RMB2,415.7 million for the year ended 31 December 2023. For the year ended 31 December 2024, the revenue generated from digital technology and cloud services was approximately RMB2,144.5 million, of which: (i) revenue from organic growth amounted to approximately RMB1,200.2 million; and (ii) revenue contributed by Shanghai Sirui amounted to approximately RMB944.3 million. Revenue from digital technology and cloud services for the year ended 31 December 2024 increased by approximately RMB392.0 million or 22.4% compared to approximately RMB1,752.5 million for the year ended 31 December 2023. Revenue from digital operation and customer services was approximately RMB270.5 million, representing an increase of approximately RMB11.2 million or 4.3% from approximately RMB259.3 million for the year ended 31 December 2023.

Professional Recruitment and Other HR Solutions

For the year ended 31 December 2024, revenue from professional recruitment and other HR solutions amounted to approximately RMB48.2 million, representing an increase of approximately RMB3.5 million or 8.0% as compared to approximately RMB44.7 million for the year ended 31 December 2023. Other HR solutions also include labour dispatch services, training and consultation services.

Due to the challenges and uncertainties in the macroeconomic environment, our clients have become more prudent in workforce expansion. As a result, revenue from professional recruitment amounted to only approximately RMB24.3 million for the year ended 31 December 2024. Through continuing with our strategy of professional recruitment, we have gradually expanded our services from general positions with high turnover rate and requiring continuous bulk employment to technical positions with certain professional requirements and higher unit price. By focusing on recruitment for technical positions with higher unit price, we will gradually increase the precision of matching the candidates we recommend with customer positions and establish competitive barriers. Our average professional recruitment fee per placement was approximately RMB5,400/person for the year ended 31 December 2024.

Cost

Our cost primarily comprises employee benefit expenses, traveling expenses, subcontracting costs, other taxes and surcharges and others, of which the majority was the labour cost paid to comprehensive flexible staffing employees.

For the year ended 31 December 2024, the Group's total cost amounted to approximately RMB4,974.4 million, representing an increase of approximately RMB924.7 million or approximately 22.8% as compared to that of approximately RMB4,049.7 million for the year ended 31 December 2023. The increase in cost was primarily due to: (i) an increase in employee benefit and travel expenses as a result of the growth in the number of comprehensive flexible staffing employees; (ii) in countries where the Group has yet to establish subsidiaries,we subcontracted services to overseas human resources companies through our established global HR service network, and incurred an increase in subcontracting costs as international business grew and brought more subcontracted services. In addition, to deepen the cooperation with clients, we initiated the joint establishment of customer service and software R&D and testing centers with them. The corresponding investments in renovation, right-of-use assets for office spaces, and computer equipment have led to an increase in depreciation and amortization amounts; and (iii) an increase in other taxes and surcharges as the revenue increased.

For the year ended 31 December 2024, the average labour cost of each comprehensive flexible staffing employee managed by us for our clients was approximately RMB10,300/person per month.

Gross Profit and Gross Profit Margin

The change in our overall gross profit margin was affected by our business mix. The table below sets forth a breakdown of our gross profit and gross profit margin by business segments for the years indicated:

	For the year ended 31 December			
	2024		2023	
	RMB'000	**%**	RMB'000	%
Comprehensive flexible staffing	**477,528**	**8.8**	399,986	9.0
Professional recruitment and other HR solutions	**21,303**	**44.2**	22,512	50.4
Total	**498,831**	**9.1**	422,498	9.4

Our gross profit margin for the year ended 31 December 2024 was approximately 9.1%, representing a decrease of approximately 0.3% from approximately 9.4% for the year ended 31 December 2023.

The gross profit margin of comprehensive flexible staffing services was approximately 8.8% for the year ended 31 December 2024, representing a decrease of 0.2 percentage points as compared to approximately 9.0% for the year ended 31 December 2023. The decrease was mainly due to the fact that to vigorously develop digital technology and cloud services, the Group invested in more recruitment consultants and costs for new clients to speed up the recruitment of comprehensive flexible staffing employees to meet clients' requirements on the number of comprehensive flexible staffing employees as soon as possible so as to capture market share, which resulted in a decrease in the gross profit margin of digital technology and cloud services by approximately 0.9 percentage points year-on-year as compared with that of last year, which was partially offset by an increase in gross profit margin of digital operation and customer services of approximately 0.8 percentage points year-on-year as compared to last year as a result of improvements in the efficiency of digital operation and customer service operation.

Selling and Marketing Expenses

Our selling and marketing expenses primarily comprise employee benefit expenses, marketing and promotion expenses, travelling and entertainment expenses, amortisation of intangible assets resulting from acquisition and others.

Our selling and marketing expenses for the year ended 31 December 2024 amounted to approximately RMB182.0 million, representing an increase of approximately RMB5.4 million or approximately 3.0% as compared to approximately RMB176.6 million for the year ended 31 December 2023. The increase was mainly due to (i) the increase in selling costs to develop new clients, including the expansion of sales staffs and increase in marketing activities, in order to accelerate the development of digital technology and cloud services; and (ii) the increase in the bonus received by sales staffs as a result of the increase in revenue and gross profit. Our selling and marketing expenses as a percentage of revenue decreased from approximately 3.9% for the year ended 31 December 2023 to approximately 3.2% for the year ended 31 December 2024.

R&D Expenses

Our R&D expenses primarily comprise employee benefit expenses, utilities and office expenses, depreciation and amortisation and other expenses incurred in connection with the research and development of our platform, software and technologies.

The R&D expenses for the year ended 31 December 2024 amounted to approximately RMB60.5 million, representing an increase of approximately RMB2.3 million or approximately 4.0% as compared to approximately RMB58.2 million for the year ended 31 December 2023. The increase was mainly due to the increase in staff costs as a result of the increase in the number of R&D staffs. Our R&D expenses as a percentage of revenue decreased from approximately 1.3% for the year ended 31 December 2023 to approximately 1.1% for the year ended 31 December 2024.

Administrative Expenses

Our administrative expenses primarily comprise employee benefit expenses, depreciation and amortisation, professional service fees and other expenses.

Our administrative expenses for the year ended 31 December 2024 amounted to approximately RMB155.2 million, representing a decrease of approximately RMB4.9 million or approximately 3.1% as compared to approximately RMB160.2 million for the year ended 31 December 2023, which was mainly due to the adjustment to the management structure made to certain middle and back-ends departments, and the streamlining of certain management and staffs of the middle and back-ends departments, reducing staff costs. Our administrative expenses as a percentage of revenue decreased from approximately 3.6% for the year ended 31 December 2023 to approximately 2.9% for the year ended 31 December 2024.

Other Income

Other income mainly includes government grants, revenue from investment and wealth management and income generated from tax reduction. For the year ended 31 December 2024, other income amounted to approximately RMB30.4 million, representing a decrease of approximately RMB37.7 million or approximately 55.3% as compared to approximately RMB68.1 million for the year ended 31 December 2023. The year-on-year decrease in other income was mainly due to (i) the government grants obtained by the Group for the year ended 31 December 2024 amounted to approximately RMB25.4 million, representing a decrease of approximately RMB33.4 million as compared to approximately RMB58.8 million for the year ended 31 December 2023; and (ii) the applicable period of the "Announcement on Clarifying Policies for Value Added Tax Exemption and Exemption for Small Scale Taxpayers" (「關於明確增值稅小規模納稅人減免增值稅等政策的公告」) jointly issued by the Ministry of Finance and the State Administration of Taxation of the PRC was from 1 January 2023 to 31 December 2023. As a result, certain subsidiaries of the Group have no longer been entitled under policies to deduct 5% of the deductible input tax from the VAT payable and therefore have not received any corresponding other income.

Other Losses, Net

Other net losses for the year ended 31 December 2024 were approximately RMB142.6 million, representing an increase of approximately RMB135.2 million as compared to approximately RMB7.4 million for the year ended 31 December 2023. The increase in other net losses were mainly due to that (i) based on the recent operating performance and cash flow position of Shanghai Sirui, a non-wholly owned subsidiary of the Company, its financial performance and business growth have not met the Group's expectations. Accordingly, taking into account the recent operational conditions and financial performance of Shanghai Sirui and future market outlook, the Group recognised an impairment provision of approximately RMB130.9 million on the goodwill arising from the acquisition of Shanghai Sirui in the consolidated financial statements for the year ended 31 December 2024. For further details, please refer to the announcement of the Company dated 10 March 2025; and (ii) for the year ended 31 December 2024, the investment income and changes in fair value through profit or loss from purchase of wealth management products using idle funds by the Group amounted to approximately RMB1.7 million, representing a decrease of approximately RMB2.5 million as compared to approximately RMB4.2 million for the year ended 31 December 2023.

Impairment Losses on Financial and Contract Assets

For the year ended 31 December 2024, impairment losses on financial and contract assets amounted to approximately RMB12.2 million, representing an increase of approximately RMB6.8 million or 125.9% from approximately RMB5.4 million for the year ended 31 December 2023. The Group has made impairment provisions based on the expected credit loss model prescribed by HKFRS 9. As the trade receivables, contract assets and notes receivables balances increased as a result of increase in revenue from digital technology and cloud services business, coupled with higher expected credit loss rate as a result of the increased weighting of forward looking factor caused by the rising of turnover days of trade receivables, contract assets and notes receivables, as well as macroeconomic growth uncertainties, we increased the amount of impairment provisions made for trade receivables, contract assets and notes receivables while evaluating bad debt risks.

Operating (Loss)/Profit

Operating loss of the Group amounted to approximately RMB23.3 million for the year ended 31 December 2024, as compared to the operating profit of approximately RMB82.8 million for the year ended 31 December 2023.

Finance Income

Finance income includes the Group's interest income generated from bank deposits. Finance income for the year ended 31 December 2024 amounted to approximately RMB4.5 million, representing an increase of approximately RMB0.9 million or approximately 24.5% as compared to approximately RMB3.6 million for the year ended 31 December 2023. We strengthened the collection of trade receivables in the second half of 2024, and the increase in cash and cash equivalents increased our interest income generated from deposits.

Finance Costs

Finance cost mainly includes interest expenses of bank loans and interest expenses of leasing liabilities. Finance cost for the year ended 31 December 2024 amounted to approximately RMB14.0 million, representing an increase of approximately RMB4.4 million or approximately 45.7% as compared to approximately RMB9.6 million for the year ended 31 December 2023. Such increase was mainly due to the interest expenses of bank loans for the year ended 31 December 2024 of approximately RMB12.5 million, representing an increase of approximately RMB4.6 million or approximately 58.8% as compared to approximately RMB7.9 million for the year ended 31 December 2023. The growth of digital technology and cloud services business resulted in the increase of trade receivables, contract assets and notes receivables balances. Accordingly, the Group has applied for additional borrowings from banks to supplement working capital, so as to support the growth of digital technology and cloud services business. The increase in bank borrowings resulted in an increase in interest expenses.

Share of net loss of Associates Accounted for Using the Equity Method

The net loss attributable to the results of associates for the year ended 31 December 2024 was approximately RMB10.6 million, representing an increase of approximately RMB5.1 million or 93.0% compared to the net loss attributable to the results of associates of approximately RMB5.5 million for the year ended 31 December 2023. This was mainly due to the investment losses recorded by the Group from its investment in Wanmayoucai of approximately RMB11.0 million for the year ended 31 December 2024, representing an increase of approximately RMB5.6 million as compared to approximately RMB5.4 million recorded by the Group for the year ended 31 December 2023.

(Loss)/Profit before Income Tax

Our loss before income tax for the year ended 31 December 2024 amounted to approximately RMB39.5 million, as compared to profit before income tax approximately RMB74.6 million for the year ended 31 December 2023.

(Loss)/Profit for the Year

Loss for the year ended 31 December 2024 amounted to approximately RMB58.2 million, as compared to profit for the year of approximately RMB67.8 million for the year ended 31 December 2023.

(Loss)/Profit attributable to the Equity Holders of the Company

The loss attributable to the equity holders of the Company for the year ended 31 December 2024 was approximately RMB71.0 million, as compared to the profit attributable to the equity holders of the Company of approximately RMB41.0 million for the year ended 31 December 2023.

Non-HKFRS Measures

To supplement the consolidated financial statements which are presented in accordance with the HKFRS, we also presented adjusted net profit and adjusted profit attributable to the equity holders of the Company as additional financial measures, which are not required by, nor presented in accordance with, the HKFRS. The following table reconciles our non-HKFRS financial measures in each year presented to the financial measures prepared in accordance with HKFRS:

	For the year ended 31 December	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
(Loss)/profit for the year	**(58,212)**	67,786
Share-based payment expenses	**11,304**	7,652
Amortisation of intangible assets resulting from acquisition	**23,380**	23,380
Impairment of goodwill	**130,945**	—
Net fair value gains in relation to equity investments	**11,040**	10,374
Less: income tax effect on above adjustments	**(4,067)**	(4,067)
Adjusted net profit	**114,390**	105,125
(Loss)/profit attributable to equity holders of the Company	**(70,970)**	41,045
Share-based payment expenses	**11,304**	7,652
Amortisation of intangible assets resulting from acquisition	**23,380**	23,380
Impairment of goodwill	**130,945**	—
Net fair value gains in relation to equity investments	**11,040**	10,374
Less: income tax effect on above adjustments	**(4,067)**	(4,067)
Less: adjustments attributable to non-controlling interests	**(13,744)**	(10,135)
Adjusted profit attributable to the equity holders of the Company	**87,888**	68,249

In evaluating the business, the Board considers and uses non-HKFRS financial measures, such as adjusted net profit and adjusted profit attributable to the equity holders of the Company as supplemental measures to review and assess the Company's operating performance. We believe that the non-HKFRS financial measures may facilitate the comparison of our financial performance by eliminating the impact of items that we do not consider indicative of the actual performance of our business upon assessment and judgment of the Board. We also believe that such non-HKFRS measures provide more useful information to investors of the Company and others in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across periods. However, our presentation of non-HKFRS financial measures may not be comparable to other measures presented by other companies with similar labels. The use of non-HKFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

Net Current Assets

The following table sets forth our current assets and current liabilities as at the dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Total current assets	**2,248,878**	1,753,778
Total current liabilities	**1,201,824**	768,215
Net current assets	**1,047,054**	985,563

The net current assets as at 31 December 2024 amounted to approximately RMB1,047.1 million, representing an increase of approximately RMB61.5 million or approximately 6.2% as compared to approximately RMB985.6 million as at 31 December 2023, which was due to the combined impact of the following major factors: (i) the increase in revenue, particularly from digital technology and cloud services, resulting in an increase in trade receivables, contract assets and notes receivables balances of approximately RMB429.0 million; (ii) the Group strengthened its collection of trade receivables in the second half of 2024, and therefore, the balance of cash and cash equivalents, restricted funds and financial assets arising from purchased financial products increased by approximately RMB101.4 million; and (iii) under the employee housing borrowing plan commencing from June 2021, the loans gradually matured in 2024 and certain employees repaid the loans upon maturity. We renewed contracts with the remaining employees who requested for loan extension, and the balance of housing borrowings expected to be repaid within one year after the contract renewal decreased by approximately RMB41.9 million. These increases were partially offset by (i) an increase of RMB113.0 million in balances of accrued salaries and benefits due to the increase in comprehensive flexible staffing employees; (ii) an increase of approximately RMB271.1 million in borrowing balances as a result of additional borrowings applied by the Group from banks to supplement working capital in order to support the growth of digital technology and cloud services; and (iii) increases in the balances of VAT and additional taxes payable by approximately RMB30.4 million resulting from increase in revenue.

Trade receivables, contract assets and notes receivables

Trade receivables, contract assets and notes receivables balances as at 31 December 2024 amounted to approximately RMB1,730.9 million, representing an increase of approximately RMB429.0 million or 33.0% as compared to approximately RMB1,301.9 million for the year ended 31 December 2023. This was primarily attributable to the facts that (i) the average credit period for digital technology and cloud services amounted to around 90 days, with the credit period for certain clients reached around 150 days. The turnover days of trade receivables of the Group increased from 93 days for the year ended 31 December 2023 to 102 days for the year ended 31 December 2024 as a result of the increase in revenue from the digital technology and cloud services; and (ii) the revenue for the year ended 31 December 2024 increased by approximately RMB1,011.1 million as compared to that for the year ended 31 December 2023. Consequently, the combined effect of increased trade receivables turnover days and revenue growth has led to a year-on-year increase in the balances of trade receivables, contract assets and notes receivables as at 31 December 2024 as compared to that of 31 December 2023.

The impairment provisions of trade receivables and contract assets as at 31 December 2024 amounted to approximately RMB25.2 million, representing an increase of approximately RMB11.3 million or approximately 81.7% as compared to approximately RMB13.9 million as at 31 December 2023. This is mainly due to that as the trade receivables, contract assets and notes receivables balances increased as a result of increase in revenue from digital technology and cloud services business, coupled with higher expected credit loss rate as a result of increased weighting of forward-looking factors caused by increases in turnover days of trade receivables and macroeconomic growth uncertainties, we increased the amount of impairment provisions made for trade receivables, contract assets and notes receivables while evaluating bad debt risks.

The following table sets forth the turnover days of trade receivables, contract assets and notes receivables for the years indicated:

	For the year ended 31 December	
	2024	2023
Turnover days of trade receivables, contract assets and notes receivables(1)	**102**	93
Adjusted turnover days of trade receivables, contract assets and notes receivables(2)	**96**	86

Notes:

(1) Calculated as the average balance of trade receivables, contract assets and notes receivables at the beginning and end of a year divided by revenue in the year then multiplied by the number of days (i.e. 365 days in a year).

(2) Calculated as the average balance of trade receivables, contract assets and notes receivables (excluding the labour costs arising from the provision of labour dispatch services and VAT) at the beginning and end of a year divided by revenue in the year then multiplied by the number of days in the year.

For the year ended 31 December 2024, our trade receivables, contract assets and notes receivables turnover days was 102 days, and the adjusted trade, contract assets and notes receivables turnover days was 96 days, representing an increase as compared to the year ended 31 December 2023, mainly because (i) the credit period granted by the Group to clients of digital technology and cloud services business is within approximately 90 days, while several customers have a credit period of approximately 150 days, which is longer than the previous maximum credit period of 70 days for the general service outsourcing business; and (ii) there was an increase in the Group's revenue from digital technology and cloud services, resulting in a longer turnover days of trade receivables, contract assets and notes receivables.

Prepayments, Deposits and Other Receivables

The prepayments, deposits and other receivables primarily consisted of rental deposits to third-party suppliers, loans under employee housing borrowing plan with a term of less than one year and prepayments, insurance and utilities expenses.

As at 31 December 2024, our prepayments, deposits and other receivables amounted to approximately RMB43.0 million, representing a decrease of approximately RMB43.7 million or approximately 50.4% compared to approximately RMB86.7 million as at 31 December 2023, mainly due to the following main reasons: (i) under the employee housing borrowing plan commencing from June 2021, the loans gradually matured in 2024 and certain employees repaid the loans upon maturity. We renewed contracts with the remaining employees who requested for loan extension, and the balance of housing borrowings expected to be repaid within one year after the contract renewal decreased by approximately RMB41.9 million; (ii) for the partial office contract renewal in 2024, rent deposits that are expected to take more than one year to recover are included in long-term assets, resulting in a decrease in lease deposits and security deposits of approximately RMB3.1 million compared to 31 December 2023; and (iii) the undeducted input tax balance decreased by approximately RMB2.8 million compared to 31 December 2023.

Financial Assets at FVOCI

As at 31 December 2024, the balance of financial assets at fair value through other comprehensive income of the Group amounted to approximately RMB17.4 million, representing an increase of approximately RMB13.7 million or 79.0% as compared to that of approximately RMB3.7 million as at 31 December 2023. As at 31 December 2024, financial assets at fair value through other comprehensive income of the Group represented bank notes paid by clients in the course of business. Since the growth in revenue from digital technology and cloud services business has increased the balance of trade receivables, contract assets and notes receivables, the Group has gradually accepted payments in the form of bank notes by certain clients to accelerate collection.

Financial Assets at Fair Value through Profit or Loss

As at 31 December 2024, the balance of financial assets at fair value through profit or loss in current assets amounted to approximately RMB27.1 million, representing a decrease of approximately RMB30.5 million or 52.9% as compared to approximately RMB57.6 million as at 31 December 2023. Financial assets at fair value through profit or loss of the Group represented investment-grade bond funds purchased by the Group with a portion of idle funds. In 2024, the Group disposed of certain investment-grade bond funds to replenish working capital.

As at 31 December 2024, the balance of financial assets at fair value through profit or loss in non-current assets amounted to approximately RMB11.0 million, representing the Group's investment in Greedy Technology and Kumao Robot.

Restricted Cash

As at 31 December 2024, the restricted funds in the current assets were approximately RMB19.4 million, representing an increase of approximately RMB19.0 million from approximately RMB0.4 million as at 31 December 2023. The restricted funds was mainly T+1 day withdrawal deposit at the Minsheng Bank in relation to bank borrowings based on certain trade receivables.

Trade and Other Payables

As at 31 December 2024, our trade and other payables amounted to approximately RMB701.1 million, representing an increase of approximately RMB160.1 million or 29.6% as compared to RMB541.0 million as at 31 December 2023. This was mainly due to (i) an increase in the number of comprehensive flexible staffing employees, which resulted in an increase in the balance of accrued salaries and benefits of approximately RMB113.0 million; and (ii) an increase in revenue of the Company resulting in an increase in the balance of VAT and surcharges of approximately RMB30.4 million.

Our suppliers usually grant credit periods of less than one month to us, which is settled monthly upon receipt of invoices.

Current Income Tax Liabilities

As at 31 December 2024, our current income tax liabilities amounted to approximately RMB11.1 million, which was stable compared to approximately RMB11.9 million as at 31 December 2023.

Borrowings

The borrowings of the Group have increased by approximately RMB271.1 million or 147.0% from approximately RMB184.5 million as at 31 December 2023 to approximately RMB455.6 million as at 31 December 2024, which was mainly because the Group offers credit terms of about 90 days for customers of digital technology and cloud services business, and up to about 150 days for certain customers, and therefore, the Group obtained more bank borrowings as it needed more working capital to support the growth of the digital technology and cloud services business.

Property, Plant and Equipment

As at 31 December 2024, the carrying value of our property, plant and equipment was approximately RMB46.3 million, comprising right of use assets for office, renovation and office equipment, which represented an increase of approximately RMB14.4 million or approximately 45.2% as compared to that of approximately RMB31.9 million as at 31 December 2023. In order to deepen our cooperation with our customers, we began to build customer service and software development and testing centers with them. In 2024, we worked with our clients to establish four client service centers and four offshore outsourcing centers for software development and testing in Chengdu, Tianjin, Shenzhen, incurring a total increase of approximately RMB54.2 million in terms of the cost for leased properties renovation, right of use assets for office and computer equipment, which was partially offset by a depreciation charge of approximately RMB34.4 million and a decrease of approximately RMB4.9 million in right of use assets for office, furniture, computer equipment and other related assets as a result of surrender of tenancy of certain offices at two business process outsourcing centers in Foshan and Changsha.

Intangible Assets

As at 31 December 2024, the carrying amount of our intangible assets was approximately RMB245.1 million, which was mainly goodwill and customer relationships arising from the acquisition of Shanghai Sirui, Shanghai Lingshi and Lingshi Yuntian, representing a decrease of approximately RMB155.7 million or 38.8% as compared to that of approximately RMB400.8 million as at 31 December 2023, which was mainly because (i) the recent operating results and cash flow position of Shanghai Sirui, a non-wholly owned subsidiary of the Company, indicated that the financial performance and business growth of Shanghai Sirui had failed to meet the expectations of the Group. Hence, having fully considered the recent operating position and financial performance of Shanghai Sirui and the future market prospects, the Group recorded an impairment provision of approximately RMB130.9 million for goodwill arising from the acquisition of Shanghai Sirui in the financial statements of the Company for the year ended 31 December 2024; and (ii) the intangible assets amortisation of approximately RMB23.4 million caused by the customer relationships arising from the acquisition of Shanghai Sirui, Shanghai Lingshi and Lingshi Yuntian.

Investments in Joint Ventures Accounted for Using the Equity Method

As at 31 December 2024, the balance of investment in joint ventures accounted for using the equity method was approximately RMB32.3 million, representing an increase of approximately RMB3.8 million or approximately 13.4% from approximately RMB28.5 million as at 31 December 2023, which was mainly due to the profit recorded by Binhai Xunteng and Zhencheng Technology for the year ended 31 December 2024.

Investment in Associates Accounted for Using the Equity Method

As at 31 December 2024, the balance of investment in associates accounted for using the equity method amounted to approximately RMB9.8 million, representing the Group's investments in Wanmayoucai, a decrease of approximately RMB10.6 million or 51.8% as compared to that of approximately RMB20.4 million as at 31 December 2023, primarily because Wanmayoucai is still at investment stage, which incurred a loss of approximately RMB11.0 million in 2024.

Other Non-current Assets

Other non-current assets mainly consisted of employee housing borrowings and rental deposits that are expected to be recovered after a period of more than one year. The balance of other non-current assets was approximately RMB41.4 million as at 31 December 2024, representing an increase of approximately RMB33.1 million compared with approximately RMB8.3 million as at 31 December 2023, mainly due to (i) under the employee housing borrowing plan commencing from June 2021, the loans gradually matured in 2024 and certain employees repaid the loans upon maturity. We renewed contracts with the remaining employees who requested for loan extension, among which some of the loans were extended for more than one year, resulting in an increase in the balance of employee housing borrowings in other non-current assets of approximately RMB29.3 million; and (ii) for some office contract renewals in 2024, lease deposits that are expected to take more than one year to recover are included in long-term assets after renewal, resulting in an increase of lease deposits and security deposits in other non-current assets of approximately RMB5.6 million compared to 31 December 2023.

Deferred Income Tax Assets

Deferred income tax assets are primarily recognized for deferred income tax based on temporary differences in corporate income tax such as lease liabilities and losses from previous years. As at 31 December 2024, the carrying amount of our deferred income tax assets was approximately RMB7.9 million, representing a decrease of approximately RMB9.2 million or approximately 53.8% from approximately RMB17.1 million as at 31 December 2023.

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios for the years indicated:

	For the year ended 31 December	
	2024	2023
Revenue growth	**22.4%**	22.9%
Gross margin	**9.1%**	9.4%
Adjusted net margin (Non-HKFRS)[(1)]	**2.1%**	2.4%
Adjusted net margin attributable to the equity holders of the Company (Non-HKFRS)[(1)]	**1.6%**	1.5%

	2024	2023
	31 December	31 December
Adjusted current ratio (times)[(2)]	**1.9**	2.2

Notes:

(1) Adjusted net margin and adjusted net margin attributable to equity holders of the Company (non-HKFRS) are calculated as the adjusted profit and adjusted profit attributable to the equity holders of the Company as a percentage of the revenue for the same year.

(2) Adjusted current ratio is calculated as the adjusted current assets divided by the current liabilities at the end of each financial year. The adjusted current assets are defined as the current assets excluding the Net Proceeds received and unutilised, where applicable.

Adjusted Current Ratio

As at 31 December 2024, the adjusted current ratio decreased slightly to approximately 1.9 from approximately 2.2 as at 31 December 2023. The Group's short-term solvency remains steady.

Liquidity and Capital Resources

As at 31 December 2024, we had cash and cash equivalents of approximately RMB397.7 million, representing an increase of approximately RMB112.8 million or 39.6% from approximately RMB284.9 million as at 31 December 2023. Such change was mainly due to a combination of the following factors: (i) the net cash used in the operating activities of approximately RMB106.0 million; (ii) net cash generated from investing activities of approximately RMB28.3 million; (iii) net cash generated from financing activities of approximately RMB190.1 million; and (iv) an increase of the balance of cash and cash equivalents caused by exchange rate changes by approximately RMB0.5 million.

Treasury Policies

The treasury and funding policies of the Group primarily focus on liquidity management and maintaining an optimum level of liquidity and risk balance. Idle funds, primarily denominated in RMB, in relation to the Net Proceeds and revenue generated from our business operations in the PRC were used to purchase low-risk short-term financial products issued by reputable financial institutions and corporations to earn higher return compared with those on time deposits issued by banks or licensed financial institutions with a relatively low and controllable risk level.

CASH FLOWS

Net Cash from Operating Activities

Net cash used in operating activities for the year ended 31 December 2024 was approximately RMB106.0 million, a decrease of approximately RMB45.9 million or approximately 30.2% as compared to net cash used in operating activities of approximately RMB151.9 million for the year ended 31 December 2023. This was primarily attributable to enhanced trade receivables management implemented by the Group in 2024. Specifically, the Group leveraged its trade receivables management system (completed and put into operation in 2023) to manage credit periods and collections for each digital technology and cloud services contract. Additionally, dedicated monthly meetings were conducted twice a month to analyze overdue trade receivables and formulate targeted collection measures. The effective execution of such trade receivables management measures enabled the Group to reduce working capital for the year ended 31 December 2024 as compared to that for the year ended 31 December 2023, while maintaining a revenue growth rate exceeding 20% for digital technology and cloud services contracts.

Net Cash inflow from Investing Activities

Net cash generated from investing activities for the year ended 31 December 2024 amounted to approximately RMB28.3 million, primarily driven by a combination of the following factors: (i) cash inflows of approximately RMB30.5 million from the redemption of investment-grade bond funds; (ii) an aggregate net cash inflows of approximately RMB6.7 million from investment-grade bond fund returns and interest income generated from bank deposits; and (iii) expense of approximately RMB8.6 million for the purchase of property, plant and equipment. Net cash generated from investing activities amounted to approximately RMB38.8 million for the year ended 31 December 2023.

Net Cash inflow from Financing Activities

For the year ended 31 December 2024, the net cash generated from financing activities was approximately RMB190.1 million, representing an increase of approximately RMB146.8 million as compared to the net cash generated from financing activities of approximately RMB43.2 million for the year ended 31 December 2023, mainly due to a combination of the following factors: (i) an increase of approximately RMB187.9 million in new bank borrowings for working capital requirements year-on-year; (ii) the cash expenditure of approximately RMB12.4 million as a result of the dividend payout in 2024; (iii) the cash expenditure of RMB9.0 million for the purchase of minority shareholders' equity of Lingshi Yuntian and Shanghai Lingshi; and (iv) T+1 day withdrawal deposit of approximately RMB17.9 million in relation to bank borrowings based on certain trade receivables.

CAPITAL STRUCTURE

Indebtedness

As at 31 December 2024, we had outstanding borrowings of approximately RMB455.6 million, representing an increase of approximately RMB271.1 million as compared to approximately RMB184.5 million as at 31 December 2023, which was mainly due to the increase in working capital requirements and therefore the Group obtained more bank borrowings.

As at 31 December 2024, our lease liabilities in respect of our leased properties amounted to approximately RMB34.6 million, representing an increase of approximately RMB15.6 million as compared to approximately RMB19.0 million as at 31 December 2023, which was mainly due to increased leased area.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

The following table sets forth our gearing ratio as at the dates indicated:

	As at 31 December 2024
	RMB'000
Borrowings	**455,616**
Less: cash and cash equivalents	**397,698**
Net debt	**57,918**
Total capital	**1,476,802**
Gearing ratio	**3.9%**

As at 31 December 2023, the Group was in a net cash position (i.e. cash and cash equivalents is higher than borrowing), hence it is not meaningful to present the gearing ratio.

CAPITAL EXPENDITURE

For the year ended 31 December 2024, our capital expenditure amounted to approximately RMB9.1 million, which was mainly used for decoration, purchase of computer equipment, furniture and software.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at 31 December 2024, we had not entered into any material off-balance sheet commitments or arrangements.

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. However, given the Company's functional currency being USD, the Company was exposed to foreign exchange risk from the RMB denominated cash and cash equivalents it held as at 31 December 2024. For the year ended 31 December 2024, the Group recorded a net exchange profit of approximately RMB0.2 million in the consolidated income statement.

The Group did not have any significant hedging arrangements to manage foreign exchange risk but has been actively monitoring and overseeing its foreign exchange risk.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2024, the Group applied to a bank for T+1 day withdrawal deposit of approximately RMB17.9 million in relation to bank borrowings based on certain trade receivables and secured trade receivables of approximately RMB98.1 million (31 December 2023: nil).

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

On 30 December 2024, Shanghai Ruiying (an indirect wholly-owned subsidiary of the Company) and Neusoft Group entered into an asset purchase agreement, pursuant to which Shanghai Ruiying conditionally agreed to sell, and Neusoft Group conditionally agreed to buy, 46.0% of the equity interests in Shanghai Sirui held by Shanghai Ruiying. On 10 March 2025, Shanghai Ruiying and Neusoft Group entered into a supplemental agreement setting out the finalized consideration and other terms and conditions supplementing the asset purchase agreement, which constitutes the formal agreement. Pursuant to the formal agreement, Shanghai Ruiying agreed to sell, and Neusoft Group agreed to buy 46.0% equity interests in Shanghai Sirui for a total consideration of approximately RMB320.7 million, subject to the terms and conditions of the formal agreement. Upon completion of the disposal contemplated thereunder, Shanghai Ruiying would have no interest in Shanghai Sirui, which would cease to be a subsidiary of the Company, and the financial results of Shanghai Sirui would cease to be consolidated into the Group's financial statements. Please refer to announcements of the Company dated 16 December 2024, 30 December 2024 and 10 March 2025 and circular of the Company dated 28 March 2025 for further details.

On 7 March 2025, Shanghai Renhui (an indirect wholly-owned subsidiary of the Company) and Beyondsoft Shanghai entered into a joint venture agreement, pursuant to which a joint venture entity will be established to provide information technology and digital talent services. The equity interests of the joint venture entity will be held by Shanghai Renhui and Beyondsoft Shanghai as to 70.0% and 30.0%, respectively. The joint venture entity will become a subsidiary of the Company upon its formation and its financial results will be consolidated into the financial statements of the Group. Please refer to the announcement of the Company dated 7 March 2025 for further details.

Saved as disclosed above, the Group has no material acquisition or disposal of subsidiaries, associates or joint ventures of the Group which would fall to be disclosed under the Listing Rules for the year ended 31 December 2024.

FUTURE PLANS ON SIGNIFICANT INVESTMENTS

To strengthen our position as a leading comprehensive human resources solutions provider, we plan to utilise the Net Proceeds to carry out certain expansion projects. Details of such expansion projects are set out in the paragraph headed "USE OF PROCEEDS FROM THE GLOBAL OFFERING" in this announcement and the section headed "Future Plans and Use of Proceeds" in the Prospectus respectively.

EVENTS OCCURRED AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there was no material event affecting the Group which has occurred since 31 December 2024 and up to the date of this announcement.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Stock Exchange on 13 December 2019 by way of global offering. The total Net Proceeds after deducting professional fees, underwriting commissions and other related listing expenses amounted to approximately HK$992.2 million (equivalent to approximately RMB889.0 million), including the additional net proceeds of approximately HK$70.2 million (equivalent to approximately RMB62.8 million) received from the issue and allotment of Shares upon completion of the partial exercise of the over-allotment option.

As detailed in the announcements of the Company dated 8 March 2022 and 28 March 2023 respectively, in order to better utilise the financial resources of the Group, the Board has reviewed and revised the utilization plan of the Net Proceeds. For the year ended 31 December 2024, the Company has utilised the Net Proceeds in accordance with the revised utilization plan and had utilised Net Proceeds of HK$53.1 million. Details of the breakdown of the Net Proceeds utilised up to 31 December 2024 and the intended use of the unutilised Net Proceeds after the 2nd re-allocation on 28 March 2023 are set out below:

	Intended use of Net Proceeds	**Original allocation of Net Proceeds**	**Balance of the Net Proceeds unutilised as at 31 December 2023 after 2nd re-allocation**	**Amount of Net Proceeds utilised during the year ended 31 December 2024**	**Balance of Net Proceeds unutilised as at 31 December 2024**	**Intended timetable for the use of the unutilised Net Proceeds**
		(HK$ million)	*(HK$ million)*	*(HK$ million)*	*(HK$ million)*	
(i)	Expand our geographic coverage to better support our clients and new opportunities	198.4	0	0	0	By 31 December 2023
(ii)	Expand our industry coverage, mainly through acquisition and also through organic growth in the next three years, to capture demand for flexible staffing services we have observed in certain underserved and expanding industries, and specifically, to target our services to more financial institution, information technology industry and new retail clientele	168.7	25.3	14.3	11.0	By 31 December 2026 *(Note 1)*
(iii)	Expand our existing BPO and headhunting service offerings in the next three years in order to capture the expected growth potential in both service sectors	129.0	0	0	0	By 31 December 2023
(iv)	Further enhance our integrated HR ecosystem and build up our capabilities in artificial intelligence and data mining technology	218.3	22.0	22.0	0	By 31 December 2024

	Intended use of Net Proceeds	Original allocation of Net Proceeds *(HK$ million)*	Balance of the Net Proceeds unutilised as at 31 December 2023 after 2nd re-allocation *(HK$ million)*	Amount of Net Proceeds utilised during the year ended 31 December 2024 *(HK$ million)*	Balance of Net Proceeds unutilised after the re-allocation as at 31 December 2024 *(HK$ million)*	Intended timetable for the use of the unutilised Net Proceeds
(v)	Further promote our brand and launch marketing and promotion activities	99.2	6.3	4.5	1.8	By 31 December 2025 *(Note 2)*
(vi)	Support our global expansion strategy in the next four years	79.4	20.3	12.3	8.0	By 31 December 2026 *(Note 3)*
(vii)	Working capital and general corporate purposes	99.2	0	0	0	By 31 December 2023
	Total	**992.2**	**73.9**	**53.1**	**20.8**	

Notes:

1. As the Company is cautious in identifying suitable acquisition targets in light of the current market environment, the Group has not fully utilised the Net Proceeds allocated for expansion in certain industries by 31 December 2024 as originally scheduled. The Group expects to fully utilise the Net Proceeds allocated for this purpose by the end of 2026.

2. As majority of the marketing and brand promotion activities are carried out online instead of offline nowadays, resulting in a decrease in spending on marketing and promotion activities, the Group has not fully utilised the Net Proceeds allocated for marketing and promotion activities by 31 December 2024 as originally scheduled. The Group expects to fully utilise the Net Proceeds allocated for this purpose by the end of 2025.

3. As the Company is cautious in identifying suitable targets for expansion in light of the current market environment, the Group has not fully utilised the Net Proceeds allocated for global expansion by 31 December 2024 as originally scheduled. The Group expects to fully utilise the Net Proceeds allocated for this purpose by the end of 2026.

The Group will continue to utilise the Net Proceeds in accordance with the intended use of proceeds as set out in the Prospectus, subject to the amount re-allocated for each intended use as set out above. Save as disclosed above, the Directors are not aware of any material change to the planned use of Net Proceeds as at the date of this announcement.

The Board hereby announces the audited consolidated results of the Group for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		Year ended 31 December	
	Note	**2024**	2023
		RMB'000	RMB'000
Revenue	3	**5,473,251**	4,472,172
Cost of revenue		**4,974,420**	(4,049,674)
Gross profit		**498,831**	422,498
Selling and marketing expenses		**(181,999)**	(176,649)
Research and development expenses		**(60,494)**	(58,168)
Administrative expenses		**(155,231)**	(160,179)
Impairment losses on financial and contract assets		**(12,177)**	(5,419)
Other income	4	**30,431**	68,119
Other losses, net	5	**(142,631)**	(7,409)
Operating (loss)/profit		**(23,270)**	82,793
Finance income	6	**4,533**	3,640
Finance costs	6	**(13,977)**	(9,592)
Finance costs, net	6	**(9,444)**	(5,952)
Share of net profit of joint ventures		**3,828**	3,218
Share of net loss of associates		**(10,578)**	(5,480)
(Loss)/profit before income tax		**(39,464)**	74,579
Income tax expense	7	**(18,748)**	(6,793)
(Loss)/profit for the year		**(58,212)**	67,786
(Loss)/profit is attributable to:			
– Equity holders of the Company		**(70,970)**	41,045
– Non-controlling interests		**12,758**	26,741
(Loss)/earnings per share (expressed in RMB per share)			
– Basic (loss)/earnings per share	8	**(0.47)**	0.27
– Diluted (loss)/earnings per share	8	**(0.47)**	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
(Loss)/profit for the year		**(58,212)**	67,786
Other comprehensive income			
Items that may not be reclassified subsequently to profit or loss:			
– Currency translation differences of the Company		**15,343**	17,314
Items that may be reclassified subsequently to profit or loss:			
– Currency translation differences of subsidiaries		**(14,842)**	(14,675)
Other comprehensive income for the year, net of tax		**501**	2,639
Total comprehensive (losses)/income for the year		**(57,711)**	70,425
Total comprehensive (losses)/income for the year is attributable to			
– Equity holders of the Company		**(70,469)**	43,684
– Non-controlling interests		**12,758**	26,741

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	Note	As at 31 December	
		2024	2023
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**46,286**	31,874
Intangible assets	9	**245,121**	400,756
Investments in joint ventures accounted for using the equity method		**32,298**	28,470
Investments in associates accounted for using the equity method		**9,832**	20,410
Financial assets at fair value through profit or loss		**11,000**	22,183
Derivative financial instruments		**2,305**	2,162
Other non-current assets		**41,424**	8,309
Deferred income tax assets		**7,905**	17,115
Restricted cash		**6,000**	6,300
Total non-current assets		**402,171**	537,579
Current assets			
Trade receivables, contract assets and notes receivables	10	**1,730,939**	1,301,905
Prepayments, deposits and other receivables		**43,040**	86,707
Contract fulfilment cost		**13,366**	18,720
Financial assets at fair value through other comprehensive income		**17,367**	3,650
Financial assets at fair value through profit or loss		**27,086**	57,563
Restricted cash		**19,382**	356
Cash and cash equivalents		**397,698**	284,877
Total current assets		**2,248,878**	1,753,778
Total assets		**2,651,049**	2,291,357

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2024

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**53**	53
Share premium		**2,155,444**	2,167,837
Shares held for share-based payment scheme		**(101,575)**	(94,313)
Other reserves		**(31,298)**	(35,502)
Accumulated losses		**(825,273)**	(754,303)
		1,197,351	1,283,772
Non-controlling interests		**221,533**	220,756
Total equity		**1,418,884**	1,504,528
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**10,327**	14,037
Lease liabilities		**20,014**	4,577
Total non-current liabilities		**30,341**	18,614
Current liabilities			
Trade and other payables	11	**701,134**	541,039
Contract liabilities		**12,726**	16,373
Current income tax liabilities		**11,065**	11,934
Borrowings		**455,616**	184,472
Redemption liabilities to non-controlling interests		**6,746**	—
Lease liabilities		**14,537**	14,397
Total current liabilities		**1,201,824**	768,215
Total liabilities		**1,232,165**	786,829
Total equity and liabilities		**2,651,049**	2,291,357

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

		Attributable to equity holders of the Company							
	Note	Share capital RMB'000	Share premium RMB'000	Shares held for share-based payment scheme RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023		53	2,167,837	(87,887)	(38,563)	(795,348)	1,246,092	203,502	1,449,594
Comprehensive income									
Profit for the year		–	–	–	–	41,045	41,045	26,741	67,786
Other comprehensive income									
– Currency translation differences		–	–	–	2,639	–	2,639	–	2,639
Total comprehensive income		–	–	–	2,639	41,045	43,684	26,741	70,425
Transactions with equity holders in their capacity as equity holders									
Share-based compensation		–	–	–	7,652	–	7,652	–	7,652
Transactions with non-controlling interests		–	–	–	(7,230)	–	(7,230)	(5,567)	(12,797)
Capital contribution from non-controlling interests		–	–	–	–	–	–	490	490
Dividends of a subsidiary		–	–	–	–	–	–	(4,410)	(4,410)
Acquisitions of shares held for share-based payment scheme		–	–	(6,426)	–	–	(6,426)	–	(6,426)
Total transactions with equity holders in their capacity as equity holders		–	–	(6,426)	422	–	(6,004)	(9,487)	(15,491)
Balance at 31 December 2023		53	2,167,837	(94,313)	(35,502)	(754,303)	1,283,772	220,756	1,504,528
Balance at 1 January 2024		**53**	**2,167,837**	**(94,313)**	**(35,502)**	**(754,303)**	**1,283,772**	**220,756**	**1,504,528**
Comprehensive losses									
Loss for the year		**–**	**–**	**–**	**–**	**(70,970)**	**(70,970)**	**12,758**	**(58,212)**
Other comprehensive income									
– Currency translation differences		**–**	**–**	**–**	**501**	**–**	**501**	**–**	**501**
Total comprehensive losses		**–**	**–**	**–**	**501**	**(70,970)**	**(70,469)**	**12,758**	**(57,711)**
Transactions with equity holders in their capacity as equity holders									
Share-based compensation		**–**	**–**	**–**	**7,334**	**–**	**7,334**	**3,970**	**11,304**
Recognition of redemption liabilities to non-controlling interests		**–**	**–**	**–**	**(6,554)**	**–**	**(6,554)**	**–**	**(6,554)**
Transactions with non-controlling interests		**–**	**–**	**–**	**2,923**	**–**	**2,923**	**(11,923)**	**(9,000)**
Capital contribution from non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**240**	**240**
Dividends declared			**(12,393)**	**–**	**–**	**–**	**(12,393)**		**(12,393)**
Dividends of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**(4,268)**	**(4,268)**
Acquisitions of shares held for share-based payment scheme		**–**	**–**	**(7,262)**	**–**	**–**	**(7,262)**	**–**	**(7,262)**
Total transactions with equity holders in their capacity as equity holders		**–**	**(12,393)**	**(7,262)**	**3,703**	**–**	**(15,952)**	**(11,981)**	**(27,933)**
Balance at 31 December 2024		**53**	**2,155,444**	**(101,575)**	**(31,298)**	**(825,273)**	**1,197,351**	**221,533**	**1,418,884**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 RMB'000	 2023 RMB'000
Cash flows from operating activities			
Cash used in operations		**(91,882)**	(141,606)
Income tax paid		**(14,117)**	(10,281)
Net cash outflow from operating activities		**(105,999)**	(151,887)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(8,616)**	(930)
Purchase of intangible assets		**(514)**	(5,656)
Purchase of financial assets at fair value through profit or loss		**(123,000)**	(94,400)
Investment income from financial assets at fair value through profit or loss		**2,324**	2,995
Proceeds from disposal of property, plant and equipment		**201**	263
Proceeds from disposal of financial assets at fair value through profit or loss		**153,457**	152,890
Cash paid for investing in associates		**—**	(20,000)
Interest received		**4,420**	3,617
Net cash inflow from investing activities		**28,272**	38,779
Cash flows from financing activities			
Proceeds from bank borrowings		**737,519**	340,801
Repayments of bank borrowings		**(460,826)**	(252,020)
Capital contribution from non-controlling shareholders of subsidiaries		**240**	490
Transactions with non-controlling interests		**(9,000)**	(1,680)
Acquisition of shares held for share-based payment scheme		**(7,262)**	(6,426)
Payment of lease liabilities		**(23,944)**	(26,197)
Interest paid		**(12,113)**	(7,336)
Dividends paid to non-controlling interests in a subsidiary		**(4,268)**	(4,410)
Dividends paid to equity holders of the company		**(12,393)**	—
Changes in deposits paid to secure borrowings		**(17,897)**	—
Net cash inflow from financing activities		**190,056**	43,222
Net increase/(decrease) in cash and cash equivalents		**112,329**	(69,886)
Cash and cash equivalents at beginning of the year		**284,877**	354,436
Effects of exchange rate changes on cash and cash equivalents		**492**	327
Cash and cash equivalents at end of the year		**397,698**	284,877

Notes

1 General information

The Company was incorporated in the Cayman Islands on 14 October 2011 as an exempted company with limited liability. The registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company, an investment holding company, and its subsidiaries (together, the "Group") are principally engaged in the provision of comprehensive flexible staffing services, professional recruitment services and other human resources ("HR") solutions services. The ultimate controlling parties of the Company are Mr. Zhang Jianguo, Mr. Zhang Feng and Ms. Zhang Jianmei (collectively, the "Controlling Equity Holders").

The Company completed its initial public offering and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 December 2019 (the "**Listing**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

2 Summary of accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with HKFRS and the disclosure requirements of HKCO

The consolidated financial statements of the Company have been prepared in accordance with HKFRS and the disclosure requirements of the Hong Kong Companies Ordinance ("**HKCO**") Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except that the revaluation of financial assets at fair value through other comprehensive income ("**FVOCI**"), financial assets at fair value through profit or loss ("**FVPL**"), financial liabilities at fair value through profit or loss and derivative financial instruments are measured at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing on 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to HKAS 1;
- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause - Hong Kong Interpretation 5 (Revised);
- Lease Liability in Sale and Leaseback – Amendments to HKFRS 16; and
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7.

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a significant impact on the Group's financial performance and position, except HKFRS 18, which may mainly impact the presentation of the consolidated statements of the comprehensive loss and the Group is still in the process of assessing the impact.

	Effective for accounting year beginning on or after
HKAS 21 and HKFRS 1 - Lack of Exchangeability (amendments)	Accounting periods beginning on or after 1 January 2025
HKFRS 9 and HKFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (amendments)	Accounting periods beginning on or after 1 January 2026
HKAS 18 - Presentation and Disclosure in Financial Statements (new standard)	Accounting periods beginning on or after 1 January 2027
HKFRS 19 - Subsidiaries without Public Accountability: Disclosures (new standard)	Accounting periods beginning on or after 1 January 2027
HK Int 5 - Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	HK Int 5 has incorporated the references to HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027
Amendments to HKFRS 10 and HKAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	A date to be determined by the IASB

3 Segment information and revenue

(a) Description of segments and principal activities

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

Comprehensive flexible staffing

The comprehensive flexible staffing segment mainly comprise general services outsourcing, digital technology and cloud services and digital operation and customer services, which offers personel upon customers' needs or performing certain business function outsourced by customers to the Group. The Group is responsible for recruiting and managing personel contracted with the Group to satisfy customers' related service needs at various business development stages.

Professional recruitment and other HR solutions

The professional recruitment segment offers bulk recruitment service. The Group assists customers in searching for, identifying and recommending suitable candidates for the job vacancies. Also, the Group assists customers' hiring process, which includes candidate assessments, screening and conducting candidate interviews. The Group also provides other HR solutions such as corporate training and labour dispatch.

The CODM assesses the performance of the operating segments mainly based on segment revenues and segment gross profit. Thus, segment result would present revenue and gross profit for each segment, which is in line with CODM's performance review.

The principal operating entities of the Group are domiciled in the PRC. Accordingly, majority of the Group's revenue are derived in the PRC.

(b) Segment results and other information

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 December 2024 was as follows:

	Year ended 31 December 2024		
	Comprehensive flexible staffing RMB'000	**Professional recruitment and other HR solutions RMB'000**	**Total RMB'000**
Segment revenue	**5,425,024**	**48,227**	**5,473,251**
Segment gross profit	**477,528**	**21,303**	**498,831**
Unallocated:			
Selling and marketing expenses			**(181,999)**
Research and development expenses			**(60,494)**
Administrative expenses			**(155,231)**
Other income *(Note 4)*			**30,431**
Other losses, net *(Note 5)*			**(142,631)**
Impairment losses on financial and contract assets			**(12,177)**
Finance costs, net *(Note 6)*			**(9,444)**
Share of net profit of joint ventures accounted for using the equity method			**3,828**
Share of net loss of associates accounted for using the equity method			**(10,578)**
Loss before income tax			**(39,464)**
Income tax expense *(Note 7)*			**(18,748)**
Loss for the year			**(58,212)**

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 December 2023 was as follows:

	Year ended 31 December 2023		
	Comprehensive flexible staffing RMB'000	Professional recruitment and other HR solutions RMB'000	Total RMB'000
Segment revenue	4,427,506	44,666	4,472,172
Segment gross profit	399,986	22,512	422,498
Unallocated:			
Selling and marketing expenses			(176,649)
Research and development expenses			(58,168)
Administrative expenses			(160,179)
Other income *(Note 4)*			68,119
Other losses, net *(Note 5)*			(7,409)
Impairment losses on financial and contract assets			(5,419)
Finance costs, net *(Note 6)*			(5,952)
Share of net profit of joint ventures accounted for using the equity method			3,218
Share of net loss of associates accounted for using the equity method			(5,480)
Profit before income tax			74,579
Income tax expense *(Note 7)*			(6,793)
Profit for the year			67,786

(c) Segment assets and segment liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

(d) Disaggregation of revenue from contracts with customers

(i) The Group derived revenue in the following types:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Comprehensive flexible staffing		
– General services outsourcing	**3,010,094**	2,415,680
– Digital technology and cloud services	**2,144,475**	1,752,526
– Digital operation and customer services	**270,455**	259,300
Professional recruitment and other HR solutions	**48,227**	44,666
	5,473,251	4,472,172

(ii) Information about major customers

The major customer group from whom the individual customer group's revenue for the year ended 31 December 2024 amounted to 10% or more of the Group's total revenue for the year ended 31 December 2024 was as below:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Customer group A	**618,085**	481,422

4 Other income

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Government grants (i)	**25,418**	58,774
Additional deduction of input value-added tax ("VAT") (ii)	**—**	6,598
Others	**5,013**	2,747
	30,431	68,119

(i) The government grants recorded in other income mainly represented financial support funds from local government. There were no specific conditions or other contingencies attaching to these grants, and therefore, the Group recognised the grants upon receipts.

(ii) Pursuant to the "Announcement on Clarifying Policies for Value Added Tax Exemption and Exemption for Small scale Taxpayers" (Cai Shui [2023] No.1) (「關於明確增值稅小規模納稅人減免增值稅等政策的公告」(財稅 [2023]第1號)) jointly issued by the Ministry of Finance and the State Administration of Taxation, the Company's certain subsidiaries qualified for an additional 5% deduction of input VAT from output VAT during the year 2023.

5 Other losses, net

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Impairment of goodwill	**(130,945)**	—
Fair value losses from equity investment at FVPL	**(11,183)**	(12,117)
Exchange gains/(losses) - net	**205**	(2,185)
Net fair value (losses)/gains on wealth management products purchased from bank at FVPL	**(516)**	1,392
Net fair value gains on derivative financial instruments	**143**	1,169
Fair value gains on contingent consideration receivable at FVPL	**—**	574
Net losses on disposal of property, plant and equipment, and intangible assets	**(106)**	(396)
Investment income on wealth management products at FVPL	**2,253**	2,817
Others	**(2,482)**	1,337
	(142,631)	(7,409)

6 Finance income and costs

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Finance income		
Interest income on cash and cash equivalents	**4,533**	3,640
Finance income	**4,533**	3,640
Finance costs		
Interest expense		
– borrowings	**(12,486)**	(7,863)
– lease liabilities	**(1,299)**	(1,729)
– others	**(192)**	—
Finance costs expensed	**(13,977)**	(9,592)
Finance costs, net	**(9,444)**	(5,952)

7 Income tax expense

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax	**(13,248)**	(11,713)
Deferred income tax	**(5,500)**	4,920
	(18,748)	(6,793)

Cayman Islands

Under the current laws of the Cayman Islands, the Company incorporated in the Cayman Islands is not subject to tax on income or capital gain. Additionally, the Cayman Islands do not impose a withholding tax on payments of dividends to equity holders.

Hong Kong

Hong Kong profits tax rate is 16.5%. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended 31 December 2024 and 2023.

PRC corporate income tax ("CIT")

CIT provision is made on the estimated assessable profits of entities within the Group incorporated in the PRC and is calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the years ended 31 December 2024 and 2023 except for those as discussed below:

According to the "Notice on the Tax Policies of Further Implementation of the Western Region Development Strategy" (Cai Shui [2011] No.58) (「關於深入實施西部大開發戰略有關税收政策問題的通知」(財税[2011]第58號)) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, companies set up in the western region and falling into certain encouraged industry catalogue promulgated by the PRC government will be entitled to a preferential tax rate of 15%. Certain subsidiaries within the Group were set up in the western development region and fell into the encouraged industry catalogue, and therefore they were entitled to the preferential tax rate of 15% as mentioned above.

Pursuant to the "Announcement on Implementing Preferential Income Tax Policies for Small Low-profit Enterprises and Individual Industrial and Commercial Households"「關於實施小微企業和個體工商戶所得稅優惠政策的公告」 (財政部稅務總局公告[2021]第12號) jointly issued by the Ministry of Finance and the State Administration of Taxation on 2 April 2021, During the period from 1 January 2021 to 31 December 2022, the portion of annual taxable income amount of a small low-profit enterprise which does not exceed RMB1,000,000 shall be computed at a reduced rate of 12.5% as taxable income amount for CIT calculation purpose, and shall be subject to CIT at 20% tax rate; for the portion of the annual taxable income exceeding RMB 1,000,000 but not exceeding RMB 3,000,000, it was still in accordance with the "Notice on Implementation of Income Tax Relief Policy for Small Low-profit Enterprises (Cai Shui [2019] No.13)" (「關於實施小微企業普惠性稅收減免政策的通知」 (財稅[2019]第13號)) jointly issued by the Ministry of Finance and the State Administration of Taxation, 50% of the taxable income shall be included in the calculation of corporate income tax, and the corporate income tax shall be paid at the rate of 20%. Certain subsidiaries of the Group established during the year ended 31 December 2024 comply with this policy and are entitled to the above-mentioned preferential tax rate of 20%.

Withholding tax on undistributed dividends

According to CIT law, distribution of profits earned by PRC companies since February 2015 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. The Group had confirmed that retained earnings of the Group's PRC subsidiaries as at 31 December 2024 will not be distributed in the foreseeable future.

8 (Loss)/earnings per share

(a) Basic (loss)/earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding shares held for share-based payment scheme.

	Year ended 31 December	
	2024	2023
(Loss)/profit attributable to the equity holders of the Company (RMB'000)	**(70,970)**	41,045
Weighted average number of ordinary shares in issue (thousands)	**150,528**	152,922
Basic (loss)/earnings per share attributable to the equity holders of the Company (RMB per share)	**(0.47)**	0.27

(b) Diluted (loss)/earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

As the Group incurred losses for the year ended 31 December 2024, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilution. Accordingly, diluted loss per share for the year ended 31 December 2024 was the same as basic loss per share.

For the year ended 31 December 2023, share options granted to employees were assumed to be potential ordinary shares and have been considered in the determination of diluted earnings per share, among which certain share option schemes were not included in the calculation of diluted earnings per share because they were anti-dilutive for the year ended 31 December 2023, as the average market price of the ordinary share during the year 2023 was lower than the exercise prices of these schemes. These share options could potentially dilute basic earnings per share in the future.

The diluted earnings per share for the year ended 31 December 2023 was as following:

	Year ended 31 December 2023
(Loss)/profit attributable to the equity holders of the Company (RMB'000)	41,045
Weighted average number of ordinary shares in issue (thousands)	152,922
Adjustments for calculation of diluted earnings per share (thousands):	
– Share options	3,326
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (thousands)	156,248
Diluted (loss)/earnings per share attributable to the equity holders of the Company (RMB per share)	0.26

9 Intangible assets

	Software RMB'000	Goodwill RMB'000	Customer relationships RMB'000	Total RMB'000
At 1 January 2023				
Cost	9,403	324,234	116,899	450,536
Accumulated amortisation and impairment	(3,288)	(16,372)	(10,889)	(30,549)
Net book amount	6,115	307,862	106,010	419,987
Year ended 31 December 2023				
Opening net book amount	6,115	307,862	106,010	419,987
Additions	5,656	—	—	5,656
Amortisation charge	(1,228)	—	(23,380)	(24,608)
Disposal	(279)	—	—	(279)
Closing net book amount	10,264	307,862	82,630	400,756
At 31 December 2023				
Cost	14,780	324,234	116,899	455,913
Accumulated amortisation and impairment	(4,516)	(16,372)	(34,269)	(55,157)
Net book amount	10,264	307,862	82,630	400,756
Year ended 31 December 2024				
Opening net book amount	**10,264**	**307,862**	**82,630**	**400,756**
Additions	**514**	**—**	**—**	**514**
Amortisation charge	**(1,824)**	**—**	**(23,380)**	**(25,204)**
Impairment charge	**—**	**(130,945)**	**—**	**(130,945)**
Closing net book amount	**8,954**	**176,917**	**59,250**	**245,121**
At 31 December 2024				
Cost	**14,994**	**324,234**	**116,899**	**456,127**
Accumulated amortisation and impairment	**(6,040)**	**(147,317)**	**(57,649)**	**(211,006)**
Net book amount	**8,954**	**176,917**	**59,250**	**245,121**

(i) Customer relationships

Customer relationships were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis, based on the directors' best estimate of the expected contract period for comprehensive flexible staffing services with customers. The useful life of 5 years for customer relationships is determined based on the historical renewal pattern and the industry practice.

The management performed an impairment assessment on customer relationships as at 31 December 2024. According to the management's estimation of the recoverable amounts of customers relationships with the assistance of an independent valuer, adopting the consistent key assumptions used in goodwill impairment tests described as below, the directors of the Company determined that no impairment loss on customer relationships for the year end 31 December 2024 (2023: nil).

(ii) Goodwill

As at 31 December 2024, the net carrying amount of goodwill amounted to RMB 176,917,000 (31 December 2023: RMB 307,862,000) has been allocated to the subsidiaries acquired as a whole for impairment testing as follow:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Shanghai Sirui	**134,616**	265,561
Lingshi Yuntian and Shanghai Lingshi	**42,301**	42,301

The management performed an impairment assessment on the goodwill as at balance sheet date. The recoverable amounts of these subsidiaries are determined based on value-in-use calculations.

The management conducted a comprehensive review of the operation of the cash-generating unit ("CGU"), adjusted the profit forecast and recalculated the recoverable amount of the CGU as at 31 December 2024. The following table set out the key assumptions for those CGUs that have significant goodwill allocated to them as at 31 December 2024:

	Annual revenue growth rate for the 5-year period (%)	**Gross profit rate (%)**	**Terminal revenue growth rate (%)**	**Pre-tax discount rate (%)**
Shanghai Sirui	9%-16%	14%	2%	16%
Lingshi Yuntian and Shanghai Lingshi	0%-9%	16%-17%	2%	22%

The following table set out the key assumptions for those CGUs that have significant goodwill allocated to them as at 31 December 2023:

	Annual revenue growth rate for the 5-year period (%)	Gross profit rate (%)	Terminal revenue growth rate (%)	Pre-tax discount rate (%)
Shanghai Sirui	9%-19%	15%	2%	17%
Lingshi Yuntian and Shanghai Lingshi	10%-19%	14%	2%	22%

10 Trade receivables, contract assets and notes receivables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables and contract assets	**1,751,648**	1,305,892
Less: provision for impairment losses on trade receivables and contract assets	**(25,170)**	(13,851)
Trade receivables and contract assets - net	**1,726,478**	1,292,041
Notes receivables at amortised cost	**4,480**	9,895
Less: provision for impairment losses on notes receivables	**(19)**	(31)
Notes receivables at amortised cost - net	**4,461**	9,864
	1,730,939	1,301,905

The directors of the Company considered that the carrying amounts of the trade receivables, contract assets and notes receivables balances approximated their fair values as at 31 December 2024 and 2023.

The Group generally allows a credit period of 10 to 180 days to its customers. Ageing analysis of trade receivables and contract assets based on recognition date before provision for impairment was as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables and contract assets		
– Within 3 months	**1,175,619**	1,025,374
– 4 months to 6 months	**398,641**	202,441
– 7 months to 9 months	**78,821**	39,420
– 10 months to 12 months	**30,828**	14,745
– Over 12 months	**67,739**	23,912
	1,751,648	1,305,892

Impairment and risk exposure

The Group applies HKFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

11 Trade and other payables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables due to third parties	**24,465**	19,971
Trade payables due to a joint venture	**9**	884
Trade payables due to an associate	**487**	—
Accrued payroll and welfare	**531,101**	418,096
VAT and surcharges	**109,260**	78,869
Risk deposit due to customers	**11,246**	9,132
Others	**24,566**	14,087
	701,134	541,039

As at 31 December 2024 and 2023, all trade and other payables of the Group were unsecured and non-interest bearing. The fair value of trade and other payables, except for accrued payroll and welfare and VAT and surcharges, which were not financial liabilities, approximated their carrying amounts due to short maturities.

As at 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date was as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables		
– Within 6 months	**24,961**	20,855
	24,961	20,855

12 Dividends

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2024.

The final dividend for the year ended 31 December 2023 amounted to HKD14,103,000 (equivalent to approximately RMB12,881,000), representing HK$0.09 per ordinary share of the Company, was distributed from the share premium account and was paid in July 2024.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the Company will be held on Tuesday, 10 June 2025. For the purpose of determining the Shareholders' eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 5 June 2025 to Tuesday, 10 June 2025, both days inclusive, during which period no transfer of the Shares may be registered. In order to be eligible to attend and vote at the Annual General Meeting, all properly completed share transfer forms accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 4 June 2025.

CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the equity holders of the Company and to enhance corporate value and accountability.

The Company has applied the principles as set out in the CG Code. The Board is of the view that during the year ended 31 December 2024, the Company has complied with all applicable code provisions as set out in Part 2 of the CG Code, except for the deviation from code provision C.2.1 as explained under the paragraph headed "Chairman and Chief Executive Officer" below.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be segregated and should not be performed by the same individual. According to the current structure of the Board, the positions of the chairman and chief executive officer of the Company are held by Mr. Zhang Jianguo. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of seven Directors, and we believe there is sufficient check and balance on the Board; (ii) Mr. Zhang Jianguo and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions of the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Group. Moreover, the overall strategy and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. Finally, as Mr. Zhang Jianguo is the principal founder of the Company, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning and internal communication for the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether the separation of the roles of chairman and chief executive officer is necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2024.

The Company's relevant employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the year ended 31 December 2024.

OTHER IMPORTANT EVENTS

On 28 March 2024, the Company granted share options to 24 grantees pursuant to the Post-IPO Share Option Scheme. The granted options shall entitle the grantees to subscribe for a maximum of 3,750,000 Shares, of which options to subscribe for a total of 450,000 Shares were granted to two Directors, and all the remaining options to subscribe for a total of 3,300,000 Shares were granted to 22 employees of the Group. The exercise price of the options granted is HK$3.79 per Share. For further details, please refer to the Company's announcement dated 28 March 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries or consolidated affiliated entities has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee comprises three members, being three independent non-executive Directors, namely Mr. Leung Ming Shu, Ms. Chan Mei Bo Mabel and Mr. Shen Hao. Mr. Leung Ming Shu is the chairman of the Audit Committee. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of the external auditor, providing advice and comments to the Board and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Group.

The Group's annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated financial statements for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's external auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PricewaterhouseCoopers on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.renruihr.com). The annual report of the Company for the year ended 31 December 2024 containing all information required by the Listing Rules will be made available to the Shareholders and published on the same websites in due course.

DEFINITION

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

"AI"	artificial intelligence;
"Annual General Meeting"	the annual general meeting of the Company to be held on Tuesday, 10 June 2025;
"Audit Committee"	the audit committee of the Board;
"Beyondsoft Corporation"	Beyondsoft Corporation* (博彥科技股份有限公司), a company established in the PRC on 17 April 1995 with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002649);
"Beyondsoft Shanghai"	Beyondsoft (Shanghai) Ltd.* (博彥科技(上海)有限公司), a company established in the PRC on 3 March 2005 with limited liability;
"Binhai Xunteng"	Tianjin Binhai Xunteng Technology Group Co., Ltd.* (天津濱海迅騰科技集團有限公司);
"Board"	the board of directors of the Company;
"BPO"	business process outsourcing;
"CG Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules;
"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);
"Director(s)"	the director(s) of the Company;
"FVOCI"	fair value through other comprehensive income;
"Greedy Technology"	Greedy Technology (Shenzhen) Co., Ltd.* (貪心科技(深圳)有限公司);
"Group" or "we"	the Company together with its subsidiaries;
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong;

"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HR"	human resources;
"IT"	information and technology;
"Kumao Robot"	Shanghai Kumao Robot Co., Ltd.* (上海庫茂機器人有限公司);
"Lingshi Yuntian"	Lingshi Yuntian Information Technology (Changzhou) Co., Ltd.* (領時雲天信息科技(常州)有限公司), which was previously known as Jiangnan Finance Technology (Changzhou) Co., Ltd.* (江南金融科技(常州)有限公司);
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
"Net Proceeds"	net proceeds from the global offering of the Company in connection with the listing of the Shares on the Stock Exchange on 13 December 2019, amounting to approximately HK$992.2 million;
"Neusoft Group"	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);
"Post-IPO Share Option Scheme"	post-IPO share option scheme of the Company adopted on 26 November 2019 and terminated on 9 December 2024;
"PRC" or "China"	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;
"Prospectus"	the prospectus of the Company dated 3 December 2019;
"RMB"	Renminbi, the lawful currency of the PRC;
"R&D"	research and development;

"Shanghai Lingshi"	Shanghai Lingshi Human Resources Services Limited* (上海領時人力資源服務有限公司);
"Shanghai Renhui"	Shanghai Renhui Human Resources Service Co., Ltd.* (上海人惠人力資源服務有限公司), an indirect wholly-owned subsidiary of the Company;
"Shanghai Ruiying"	Shanghai Ruiying Human Resources Technology Group Co., Ltd.* (上海瑞應人才科技集團有限公司), 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);
"Shareholder(s)"	holder(s) of the Shares;
"Share(s)"	ordinary share(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"treasury shares"	has the meaning ascribed to it under the Listing Rules;
"Wanmayoucai"	Zhejiang Wanyoumali Network Technology Co., Ltd.* (浙江萬有碼力網絡科技有限公司), which was previously known as Shanghai Wanmahui Network Technology Co., Ltd.* (上海萬馬匯網絡科技有限公司);
"Zhencheng Technology"	Shanghai Zhencheng Technology Co., Ltd* (上海圳誠科技有限公司); and
"%"	per cent.

This announcement contains certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all momentary amounts shown are approximate amounts only.

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, 31 March 2025

As at the date of this announcement, the Board of the Company 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.