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Beisen Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9669)

PROFIT WARNING

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

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to announce that, based on the information currently available to the Company, the Group is expected to record (i) a revenue in the range of approximately RMB837.3 million to approximately RMB878.6 million for the year ended 31 March 2024 (the “**FY2024**”), representing an increase of approximately 11.5%–17.0%, as compared to the revenue of approximately RMB750.9 million for the year ended 31 March 2023 (the “**FY2023**”); (ii) an annual recurring revenue (“**ARR**”) in the range of approximately RMB747.4 million to approximately RMB766.9 million for the FY2024, representing an increase of approximately 15.0%–18.0%, as compared to the ARR of approximately RMB649.9 million for the FY2023; (iii) a subscription revenue retention rate is expected to achieve approximately 105.0%–107.0% for the FY2024; and (iv) a loss attributable to the owners of the Company in the range of approximately RMB3,043.3 million to approximately RMB3,363.7 million for the FY2024, as compared to a loss attributable to the owners of the Company of approximately RMB2,599.0 million for the FY2023. The increase in loss attributable to the owners of the Company was mainly due to the increase in loss from changes in fair value of the Company’s redeemable convertible preferred shares and the increase in share-based payments in the range of approximately RMB742.7 million to approximately RMB866.8 million.

After excluding fair value changes of redeemable convertible preferred shares and share-based payments from the net loss, the Group is expected to record an adjusted net loss (non-IFRS measure) for the FY2024 in the range of approximately RMB85.3 million to approximately RMB120.4 million, which may be narrowed by approximately 59.9%–71.6% as compared to an adjusted net loss (non-IFRS measure) of approximately RMB300.6 million for the FY2023. After excluding share-based payments from the gross profit, the Group is expected to record an adjusted gross profit (non-IFRS measure) for the FY2024 in the range of approximately RMB528.9 million to approximately RMB572.5 million (same period in the FY2023: RMB423.3 million), representing a year-on-year increase of approximately 24.9%–35.2%.

The decrease in the adjusted net loss (non-IFRS measure) as well as the increase in adjusted gross profit (non-IFRS measure) were mainly due to the following factors: (i) the continuous increase in the Group's revenue, especially the revenue generated from subscriptions to the Cloud-based Human Capital Management (“HCM”) solutions. The revenue generated from subscriptions to the Cloud-based HCM solutions is expected to increase to approximately RMB615.4 million to approximately RMB658.9 million for the FY2024, accounted for approximately 73.5%–75.0% of the total revenue; and (ii) the enhancement of costs control. Starting from 2023, in response to the changes in industry and markets, the Group has taken proactive cost control measures to improve the efficiency of the service team while maintaining the health and sustainability of the business growth. As a result of the above, net cash inflow from operating activities for the second half of the FY2024 is expected to reach the range of approximately RMB92.6 million to approximately RMB102.3 million, representing a year-on-year increase of approximately 170.0%–198.3% over the same period in the FY2023.

The Company is still in the process of finalizing its annual results of the Group for the FY2024. The information contained in this announcement is solely based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts and information currently available, which have not been audited or reviewed by the auditor or the audit committee of the Company, and are subject to adjustments where necessary. Shareholders and potential investors of the Company should refer to and carefully read the annual results announcement of the Company for the FY2024, which is expected to be published by the end of June 2024. There may be differences between the information in the annual results announcement and the estimated financial information set out above.

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

By order of the Board
Beisen Holding Limited
WANG Zhaohui
Chairman and Executive Director

PRC, 29 May 2024

As of the date of this announcement, the executive Directors are Mr. WANG Zhaohui, Mr. JI Weiguo and Ms. LIU Xianna, and the independent non-executive Directors are Mr. DU Kui, Mr. ZHAO Hongqiang and Mr. GE Ke.