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Renrui Human Resources Technology Holdings Limited

人瑞人才科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6919)

CONNECTED AND DISCLOSEABLE TRANSACTIONS

**ACQUISITIONS OF FURTHER EQUITY INTERESTS IN TWO
SUBSIDIARIES OF THE COMPANY**

The Board is pleased to announce that on 18 October 2024, (i) the Purchaser, Qihang Yuntian and Jiangnan Finance entered into the Lingshi Yuntian SPA, pursuant to which, the Purchaser has agreed to purchase and each of Qihang Yuntian and Jiangnan Finance has agreed to sell 26% and 5% of equity interests in Lingshi Yuntian, respectively, at a consideration of RMB6,500,000 and RMB1,250,000, respectively; and (ii) the Purchaser and Qihang Yuntian entered into the Shanghai Lingshi SPA, pursuant to which, the Purchaser has agreed to purchase and Qihang Yuntian has agreed to sell 31% of equity interests in Shanghai Lingshi at a consideration of RMB1,250,000.

Upon completion of the Further Acquisitions, the Purchaser's equity interests in each of Lingshi Yuntian and Shanghai Lingshi shall increase from 59% to 90%, and each of Lingshi Yuntian and Shanghai Lingshi will continue to be a non-wholly owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As both the Lingshi Yuntian SPA and the Shanghai Lingshi SPA were entered into with, among others, Qihang Yuntian as vendor, the Further Acquisitions are aggregated pursuant to Rule 14.22 of the Listing Rules as if they were one transaction for the purpose of calculating the percentage ratios. As one or more of the applicable percentage ratios in respect of the Further Acquisitions exceeds 5% but are all less than 25%, the Further Acquisitions constitute a discloseable transaction for the Company under the Listing Rules and are therefore subject to reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements, pursuant to Chapter 14 of the Listing Rules.

As Qihang Yuntian was a substantial shareholder of Lingshi Yuntian and Shanghai Lingshi as at the date of this announcement, each being a non-wholly owned subsidiary of the Company, Qihang Yuntian was accordingly a connected person of the Company at the subsidiary level under the Listing Rules. As a result, the Further Acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. In addition, as both the Lingshi Yuntian SPA and the Shanghai Lingshi SPA were entered into with, among others, Qihang Yuntian as vendor, the Further Acquisitions are aggregated pursuant to Rule 14A.81 of the Listing Rules as if they were one transaction for the purpose of calculating the percentage ratios. As the highest applicable percentage ratio (other than the profits ratio as defined under the Listing Rules) is less than 5%, the Further Acquisitions are subject to reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 18 October 2024, (i) the Purchaser, Qihang Yuntian and Jiangnan Finance entered into the Lingshi Yuntian SPA, pursuant to which, the Purchaser has agreed to purchase and each of Qihang Yuntian and Jiangnan Finance has agreed to sell 26% and 5% of equity interests in Lingshi Yuntian, respectively, at a consideration of RMB6,500,000 and RMB1,250,000, respectively; and (ii) the Purchaser and Qihang Yuntian entered into the Shanghai Lingshi SPA, pursuant to which, the Purchaser has agreed to purchase and Qihang Yuntian has agreed to sell 31% of equity interests in Shanghai Lingshi at a consideration of RMB1,250,000.

PRINCIPAL TERMS OF THE 2024 SPAS

Lingshi Yuntian SPA

- Date** : 18 October 2024
- Parties** : (1) Purchaser (as purchaser)
(2) Qihang Yuntian and Jiangnan Finance (as vendors)
- Subject** : Subject to the terms of the Lingshi Yuntian SPA, the Purchaser has agreed to purchase and each of Qihang Yuntian and Jiangnan Finance has agreed to sell 26% and 5% of equity interests in Lingshi Yuntian, respectively.
- Consideration** : RMB6,500,000 payable to Qihang Yuntian and RMB1,250,000 payable to Jiangnan Finance. Taxes and duties in relation to the transactions contemplated under the Lingshi Yuntian SPA shall be borne by Qihang Yuntian and Jiangnan Finance in accordance with applicable laws and regulations.
- The consideration was determined after arm’s length negotiations between the parties based on normal commercial terms with reference to, among others, (i) net profit of Lingshi Yuntian based on its audited consolidated financial information for the year ended 31 December 2023, and (ii) the prospects of the comprehensive flexible staffing business it operates.
- Payment terms** : Upon satisfaction of the condition precedent, the Purchaser shall pay the consideration to Qihang Yuntian and Jiangnan Finance in full within 10 business days. The consideration will be financed by the Group’s internal resources.

- Condition precedent** : All necessary approvals pursuant to any internal requirement or applicable laws and regulations required for the Purchaser, Qihang Yuntian and Jiangnan Finance to conduct the transactions contemplated under the Lingshi Yuntian SPA (if applicable) have been obtained and remain valid.
- Completion** : Upon full settlement of the consideration by the Purchaser, Qihang Yuntian and Jiangnan Finance shall procure the registration and/or filing at the competent local branch of the SAMR in relation to the equity transfer contemplated under the Lingshi Yuntian SPA within 15 days.
- Default liability** : Any party shall be liable to indemnify and compensate the other party(ies) against any actual losses incurred as a result of its default in the performance of any of the obligations expressed to be assumed by it or breach of any representations, warranties and undertakings made by it in the Lingshi Yuntian SPA. The parties acknowledge that for the Purchaser, the amount of such actual losses shall equal to consideration paid by it in accordance with the Lingshi Yuntian SPA.
- Termination** : The Lingshi Yuntian SPA may be terminated (i) with unanimous written consent by all parties; (ii) by non-defaulting party if any representation or warranty made by the other party is untrue or has omission in material aspect, or there is a material breach by the other party of any undertakings and/or obligations relating to it under the Lingshi Yuntian SPA, and such breach has not been rectified within 30 days after being notified by the non-defaulting party; (iii) upon occurrence of force majeure events; or (iv) otherwise in accordance with laws and regulations. The Purchaser is entitled to request for refund of any consideration already paid by it if the Lingshi Yuntian SPA is terminated by the Purchaser under paragraph (ii).

Shanghai Lingshi SPA

- Date** : 18 October 2024
- Parties** : (1) Purchaser (as purchaser)
(2) Qihang Yuntian (as vendor)
- Subject** : Subject to the terms of the Shanghai Lingshi SPA, the Purchaser has agreed to purchase and Qihang Yuntian has agreed to sell 31% of equity interests in Shanghai Lingshi.
- Consideration** : RMB1,250,000 payable to Qihang Yuntian. Taxes and duties in relation to the transactions contemplated under the Shanghai Lingshi SPA shall be borne by Qihang Yuntian in accordance with applicable laws and regulations.

The consideration was determined after arm's length negotiations between the parties based on normal commercial terms with reference to, among others, (i) net profit of Shanghai Lingshi based on its audited consolidated financial information for the year ended 31 December 2023, and (ii) the prospects of the comprehensive flexible staffing business it operates.
- Payment terms** : Upon satisfaction of the condition precedent, the Purchaser shall pay the consideration to Qihang Yuntian in full within 10 business days. The consideration will be financed by the Group's internal resources.
- Condition precedent** : All necessary approvals pursuant to any internal requirement or applicable laws and regulations required for the Purchaser and Qihang Yuntian to conduct the transactions contemplated under the Shanghai Lingshi SPA (if applicable) have been obtained and remain valid.

- Completion** : Upon full settlement of the consideration by the Purchaser, Qihang Yuntian shall procure the registration and/or filing at the competent local branch of the SAMR in relation to the equity transfer contemplated under the Shanghai Lingshi SPA within 15 days.
- Default liability** : Either party shall be liable to indemnify and compensate the other party against any actual losses incurred as a result of its default in the performance of any of the obligations expressed to be assumed by it or breach of any representations, warranties and undertakings made by it in the Shanghai Lingshi SPA. The parties acknowledge that for the Purchaser, the amount of such actual losses shall equal to consideration paid by it in accordance with the Shanghai Lingshi SPA.
- Termination** : The Shanghai Lingshi SPA may be terminated (i) with unanimous written consent by all parties; (ii) by non-defaulting party if any representation or warranty made by the other party is untrue or has omission in material aspect, or there is a material breach by the other party of any undertakings and/or obligations relating to it under the Shanghai Lingshi SPA, and such breach has not been rectified within 30 days after being notified by the non-defaulting party; (iii) upon occurrence of force majeure events; or (iv) otherwise in accordance with laws and regulations. The Purchaser is entitled to request for refund of any consideration already paid by it if the Shanghai Lingshi SPA is terminated by the Purchaser under paragraph (ii).

POST-COMPLETION CORPORATE GOVERNANCE

Upon completion of the Further Acquisitions, the articles of associations of Lingshi Yuntian and Shanghai Lingshi will be amended to the effect that each of Lingshi Yuntian and Shanghai Lingshi shall only have one director to be nominated by the Purchaser and accordingly there will no longer be a board of directors.

INFORMATION OF THE PARTIES

Information of the Purchaser and the Group

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

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of human resources services.

Information of Qihang Yuntian and Jiangnan Finance

Qihang Yuntian is principally engaged in the provision of comprehensive solutions in relation to digitalization of retail credits primarily in the following six aspects: products, risk management, operation, customer acquisition, data and system. As at the date of this announcement, Qihang Yuntian was held as to approximately 62.6% by Mr. Cai and 37.4% by various companies and individuals.

Jiangnan Finance is principally engaged in the provision of trainings to employees of local commercial banks and it was indirectly wholly-owned by Qihang Yuntian as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as Mr. Cai (who is a connected person of the Company being a director of Lingshi Yuntian and Shanghai Lingshi), the other shareholders and ultimate beneficial owners of Qihang Yuntian and Jiangnan Finance are third parties independent of, and not connected with, the Company and its connected persons.

Information of Lingshi Yuntian and Shanghai Lingshi

Both Lingshi Yuntian and Shanghai Lingshi are principally engaged in the provision of comprehensive flexible staffing services to local commercial banks in the PRC.

As at the date of this announcement, Lingshi Yuntian was held as to 59% by the Company, 36% by Qihang Yuntian and 5% by Jiangnan Finance. Immediately upon completion of the transactions contemplated under the Lingshi Yuntian SPA, Lingshi Yuntian will be held as to 90% by the Company and 10% by Qihang Yuntian.

As at the date of this announcement, Shanghai Lingshi was held as to 59% by the Company and 41% by Qihang Yuntian. Immediately upon completion of the transactions contemplated under the Shanghai Lingshi SPA, Shanghai Lingshi will be held as to 90% by the Company and 10% by Qihang Yuntian.

Financial Information of Lingshi Yuntian and Shanghai Lingshi

Set out below is the audited consolidated financial information for the two years ended 31 December 2022 and 31 December 2023 of Lingshi Yuntian and Shanghai Lingshi prepared in accordance with accounting principles generally accepted in the PRC:

	Lingshi Yuntian		Shanghai Lingshi	
	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2022
	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
Revenue	60.2	46.4	129.8	171.7
Profit (before taxation)	13.0	10.0	2.0	2.4
Profit (after taxation)	9.7	7.3	1.5	1.8

Set out below is the audited consolidated net asset value of Lingshi Yuntian and Shanghai Lingshi as at 31 December 2023 prepared in accordance with accounting principles generally accepted in the PRC:

	Lingshi Yuntian As at 31 December 2023	Shanghai Lingshi As at 31 December 2023
	<i>RMB (million)</i>	<i>RMB (million)</i>
Net asset	22.4	10.8

The original acquisition costs of 26% of the equity interests in Lingshi Yuntian by Qihang Yuntian was approximately RMB2,600,000. The original acquisition costs of 5% of the equity interests in Lingshi Yuntian by Jiangnan Finance was approximately RMB500,000. The original acquisition costs of 31% of the equity interests in Shanghai Lingshi by Qihang Yuntian was approximately RMB3,410,000.

REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITIONS

The acquisition of the Target Group in 2021 has enhanced the Group's capability to expand into the comprehensive flexible staffing service market targeting banks and financial institutions, which has a comparatively more stable and continuous demand for staffing and a relatively higher gross profit margin as compared to general positions. In addition, leveraging the Target Group's long-term business relationship with rural commercial banks and city commercial banks, the Group has been able to explore more business opportunities in financial services and diversify its customer base. Since the acquisition in 2021, the Target Group has contributed stable revenue stream to the Group and enhanced the Group's profitability.

Based on the financial condition and results of operation of the Target Group since the acquisition in 2021, the Group is positive in the business prospects of the Target Group and its strategic significance to the Group. Through the Further Acquisitions, the Company will be able to gain further control over the management and operations of the Target Group and further consolidate the profits generated by the Target Group into the Group's accounts, which is conducive to the integration of the business and financial results of the Target Group with that of the Group. In light of the above, the Directors (including the independent non-executive Directors) consider the terms of the 2024 SPAs and the Further Acquisitions are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

As one of the Directors, Mr. Zhang Feng, is also a director of Lingshi Yuntian and Shanghai Lingshi, Mr. Zhang Feng has abstained from voting on the relevant Board resolutions for approving the 2024 SPAs and the Further Acquisitions. Save as Mr. Zhang Feng, none of the other Directors has a material interest in the 2024 SPAs and the Further Acquisitions, and is therefore not required to abstain from voting on the relevant Board resolutions for approving the 2024 SPAs and the Further Acquisitions.

LISTING RULES IMPLICATIONS

As both the Lingshi Yuntian SPA and the Shanghai Lingshi SPA were entered into with, among others, Qihang Yuntian as vendor, the Further Acquisitions are aggregated pursuant to Rule 14.22 of the Listing Rules as if they were one transaction for the purpose of calculating the percentage ratios. As one or more of the applicable percentage ratios in respect of the Further Acquisitions exceeds 5% but are all less than 25%, the Further Acquisitions constitute a

discloseable transaction for the Company under the Listing Rules and are therefore subject to reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements, pursuant to Chapter 14 of the Listing Rules.

As Qihang Yuntian was a substantial shareholder of Lingshi Yuntian and Shanghai Lingshi as at the date of this announcement, each being a non-wholly owned subsidiary of the Company, Qihang Yuntian was accordingly a connected person of the Company at the subsidiary level under the Listing Rules. As a result, the Further Acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. In addition, as both the Lingshi Yuntian SPA and the Shanghai Lingshi SPA were entered into with, among others, Qihang Yuntian as vendor, the Further Acquisitions are aggregated pursuant to Rule 14A.81 of the Listing Rules as if they were one transaction for the purpose of calculating the percentage ratios. As the highest applicable percentage ratio (other than the profits ratio as defined under the Listing Rules) is less than 5%, the Further Acquisitions are subject to reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2024 SPAs”	the Lingshi Yuntian SPA and the Shanghai Lingshi SPA
“Board”	the board of directors of the Company
“Company”	Renrui Human Resources Technology Holdings Limited (人瑞人才科技控股有限公司), an exempted company incorporated in the Cayman Islands on 14 October 2011 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6919)
“Director(s)”	the director(s) of the Company
“Further Acquisitions”	the transactions contemplated under the 2024 SPAs
“Group”	the Company together with its subsidiaries

“Jiangnan Finance”	Jiangnan Finance Management Consultancy (Changzhou) Holdings Company Limited* (江南金融管理諮詢(常州)股份有限公司), a company limited by shares and established under the laws of the PRC
“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) Company Limited* (江南金融科技(常州)有限公司), a company established under the laws of the PRC with limited liability and a 59%-owned subsidiary of the Company as at the date of this announcement
“Lingshi Yuntian SPA”	the sale and purchase agreement dated 18 October 2024 entered into between the Purchaser, Qihang Yuntian and Jiangnan Finance in relation to the acquisition of a total of 31% of the equity interests in Lingshi Yuntian
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Cai”	Mr. Cai Yulong* (蔡裕龍)
“percentage ratio”	shall have the meaning in Rule 14.04(9) of the Listing Rules
“PRC”	the People’s Republic of China and for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Renrui Human Resources Technology Group Limited* (人瑞人才科技集團有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Qihang Yuntian”	Shanghai Qihang Yuntian Technology Limited* (上海起航雲天科技股份有限公司), a company limited by shares and established under the laws of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SAMR”	the State Administration for Market Regulation of the PRC (中國國家市場監督管理總局)
“Shanghai Lingshi”	Shanghai Lingshi Human Resources Services Limited* (上海領時人力資源服務有限公司), a company established under the laws of the PRC with limited liability and a 59%-owned subsidiary of the Company as at the date of this announcement
“Shanghai Lingshi SPA”	the sale and purchase agreement dated 18 October 2024 entered into between the Purchaser and Qihang Yuntian in relation to the acquisition of 31% of the equity interests in Shanghai Lingshi
“Shareholder”	holder of the ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Shanghai Lingshi and its subsidiary and Lingshi Yuntian
“%”	per cent

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

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

The PRC, 18 October 2024

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