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Beisen Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9669)

**POSITIVE PROFIT ALERT
REDUCTION IN LOSS**

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 RMB432.6 million to approximately RMB442.6 million for the six months ended 30 September 2024, representing an increase of approximately 8.0% – 10.5%, as compared to the revenue of approximately RMB400.5 million for the same period in 2023; (ii) a gross profit in the range of approximately RMB270.5 million to approximately RMB295.8 million for the six months ended 30 September 2024, representing an increase of approximately 14.1% – 24.8%, as compared to the gross profit of approximately RMB237.0 million for the same period in 2023; and (iii) a loss attributable to the owners of the Company in the range of approximately RMB89.1 million to approximately RMB108.9 million for the six months ended 30 September 2024, representing a decrease in loss of approximately 96.4% – 97.1%, as compared to a loss attributable to the owners of the Company of approximately RMB3,058.1 million for the same period in 2023. The decrease in loss attributable to the owners of the Company was mainly due to the decrease in loss from changes in fair value of the Company’s redeemable convertible preferred shares and the decrease in share-based payments in the range of approximately RMB2,900.8 million to approximately RMB2,913.8 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 six months ended 30 September 2024 in the range of approximately RMB29.0 million to approximately RMB40.3 million, representing a decrease in adjusted net loss of approximately 53.1% – 66.2% as compared to an adjusted net loss (non-IFRS measure) of approximately RMB85.9 million for the same period in 2023.

The decrease in the adjusted net loss (non-IFRS measure) is 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 the range of approximately RMB325.2 million to approximately RMB352.3 million for the six months ended 30 September 2024, accounted for approximately 75.2% – 79.6% of the total revenue; and (ii) the enhancement of cost control. 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 a healthy and sustainable business growth. As a result of the above, net operating cash outflow of the Group for the six months ended 30 September 2024 is expected to be less than RMB100.0 million, representing a year-on-year decrease in net outflow of not less than 40.0% over the same period in 2023.

The Company is still in the process of finalizing its interim results of the Group for the six months ended 30 September 2024. 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 interim results announcement of the Company for the six months ended 30 September 2024, which is expected to be published before the end of November 2024. There may be differences between the information in the interim 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, 31 October 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.