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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)

INSIDE INFORMATION ANNOUNCEMENT IN RELATION TO THE TERMINATION OF FLEXIBLE STAFFING SERVICES PROVIDED TO A MAJOR CUSTOMER

This announcement is made by Renrui Human Resources Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the 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 inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group has been informed by a major customer (the “**Major Customer**”) that it was planning to terminate the information verification and client service representative flexible staffing services provided by the Group in January 2022 (the “**Termination**”). To the best knowledge and information of the Directors, the reason for the pending Termination is that the Major Customer would like to employ and manage the existing flexible staffing employees deployed from the Group as their own employees. Further, the flexible staffing service premium payable per flexible staffing employee per month by the Major Customer to the Group will be reduced until the pending Termination.

The revenue generated by the Group from the Major Customer for the information verification and client service representative flexible staffing services amounted to approximately RMB1,064.3 million for the year ended 31 December 2020, representing approximately 41.3% of the Group's revenue generated from the provision of flexible staffing services, and approximately 37.6% of the Group's total revenue for that year.

Based on the existing contractual arrangements with the Major Customer, the flexible staffing services (other than information verification and client representative services), professional recruitment and business process outsourcing (“**BPO**”) services provided by the Group to the Major Customer will continue and be unaffected by the Termination.

Despite the Termination, the business relationships between the Group and its other top ten customers remain stable. The Group will continue to provide quality services to its customers. The Group will also take appropriate actions to re-allocate the resources available upon the Termination to its existing businesses such as flexible staffing, professional recruitment and BPO services to serve more new customers. The Group intends to expand its industry coverage for its flexible staffing services to the information technology (including software research and development) industry. The Group is also seeking for cooperation opportunities and discussing with companies in the biomedicine, retail and high-end manufacturing industries.

Leveraging the Group's extensive experience in providing human resources management services to clients, this year the Group plans to introduce a new product, namely, “HR SaaS (software as a service)” which will allow the Group's clients to subscribe for the Group's human resources management software. The Board believes this will help create business opportunities with new clients which will be beneficial to the Group's financial performance.

Solely as a result of the Termination, the Group's adjusted net profit (*note*) for the year ending 31 December 2021 is expected to decrease by approximately 10% to 20% as compared to that for the year ended 31 December 2020. As at the date of this announcement, the Company was still in the process of ascertaining the extent of potential financial impact on the Group for the year ending 31 December 2022 as a result of the Termination. The Board will use its best endeavours to minimise the potential negative impact of the Termination on the Group, and make further announcement to inform the Shareholders and potential investors of any material developments of the Termination if and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Note: Adjusted net profit refers to the net profit for the year excluding share-based payment expenses under the post-IPO share option scheme of the Company.

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

The PRC, 30 June 2021

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