猎聘 Liepin

Wise Talent Information Technology Co., Ltd
有才天下信息技術有限公司
(Incorporated in Cayman Islands with limited liability)
(Stock Code: 6100)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The board of directors (the "**Board**") of Wise Talent Information Technology Co., Ltd (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the year ended 31 December 2018, together with comparative figures for the year ended 31 December 2017.

FINANCIAL HIGHLIGHTS

- Revenue including revenue from providing talent acquisition services to our business customers, providing professional career services and directing individual user traffic to certain internet service providers was RMB1,225.3 million in 2018, a 48.6% increase from RMB824.7 million in 2017.

- Gross profit was RMB987.7 million in 2018, a 42.5% increase from RMB693.0 million in 2017.

- Net profit was RMB2.7 million in 2018, compared to a net profit of RMB7.6 million in 2017.

- Net profit attributable to the owners of the Company was RMB7.7 million in 2018, compared to RMB9.0 million in 2017.

- Non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses and one-time listing expenses) was RMB103.3 million in 2018, compared to a non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses) of RMB18.1 million in 2017.

- The Board does not recommend the payment of final dividend for the year ended 31 December 2018.

MANAGEMENT DISCUSSION & ANALYSIS

MARKET REVIEW

The PRC Human Resource Services Market

In 2018, the PRC human resource services market has continued to benefit from the abundant and increasing budget of businesses for human resources services, their increasing willingness to increase spending on high-quality customized services, as well as continued government policy and financial support. Benefiting from the ongoing talent upgrade and economic transformation in China, the application of AI technology and Big Data analytics which allowed talent acquisition service providers to deliver more accurate and efficient matching results and more personalized services, and the growing talent pool of mid- to high-end job candidates, the size of mid- to high-end talent acquisition service market is expected to notably expand.

We are the leading player in the mid- to high-end talent acquisition services market, which stood at RMB97 billion in 2017, growing at 20.3% compound annual growth rate ("**CAGR**") to become a RMB243 billion market in 2022 according to the China Insights Consultancy Limited ("**CIC**") report.

We are also aiming to expand into the broader human resource services market. It is a RMB343 billion market in 2017 and will become RMB842 billion with 19.7% CAGR by 2022 according to the CIC report.

The PRC Professional Career Services Market

The PRC professional career services market in China mainly addresses professionals' increasing demand for career development and advancement. This market primarily encompasses career coaching, CV advisory services, professional skill training and other related career services but does not include degree- and certificate-oriented training. The PRC professional career service market size in 2017 was RMB47 billion, and it will grow at a higher CAGR of 33.7% to become RMB201 billion by 2022 according to the CIC report.

BUSINESS REVIEW

As a pioneer of online talent acquisition services platform in China, we achieved a strong growth in 2018. In 2018, our revenue and gross profit amounted to RMB1,225.3 million and RMB987.7 million, respectively, representing an increase of 48.6% and 42.5%, respectively, compared to 2017. Set forth below is a summary of major developments of our business in 2018:

Continued development and expansion of our platforms

We operate the leading talent service platform in China focused on mid- to high-end talents in terms of total revenue in 2018 where we host a full range of proprietary online platform and SaaS solutions and provide online products and services to our registered individual users, verified business users and verified headhunters. Through our mobile app, website and branded WeChat official accounts, we offer a comprehensive range of talent services to individual users to find better career opportunities and verified business users and headhunters to source talents more effectively. During 2018, we have launched a series of product innovations, including our new product *Direct Recruitment* (直招) and *Onboarding Express* (入職快), etc.

We have been continuously leveraging headhunters and other ecosystem partners to offer customized, and closed-loop services, catering the needs of our business customers and individual users. Our headhunter-assisted, closed-loop talent acquisition services such as *Interview Express* (面試快) and *Onboarding Express* (入職快) are the real breakthrough from traditional offline recruiting services industry. These products enable our business customers to request talent acquisition services online and obtain customized hiring services at different hiring milestones such as interview or onboarding from AI-selected headhunters with result-driven fee structures. Business customers can identify suitable candidates at a much faster pace and complete payment process online. Business customers also have the visibility of the entire hiring process, and the real time data accumulated through the closed-loop services can optimize our algorithm to further enhance the match between job opportunities and candidates. During 2018, the growth of our momentum for headhunter assisted closed-loop talent acquisition services, primarily *Interview Express* (面試快) and *Onboarding Express* (入職快) was significant.

Expansion of talent pool

We build our ecosystem which connects our massive, active and high quality talent base with talents; business users; headhunters; and other talent service providers to maximize their values throughout their career and business cycles. Through this ecosystem, we have fundamentally transformed how talent is connected to career opportunities and built a reputation as a trusted talent service platform for all participants in our ecosystem.

The number of registered individual users increased from 38.9 million as of 31 December 2017, with an average annual salary of RMB144,296 to 46.9 million as of 31 December 2018, with an average annual salary of RMB168,341.

Our traffic reached record high in November 2018. We observe a strong level of activeness among our individual users and the level of engagement of our registered individual users continues to grow. We continue to offer products and services for free to our registered individual users, including the creation of professional profiles with customized privacy setting on our platforms, personalized job and headhunter recommendations provided with our Big Data and AI technology, as well as social network and career content services provided through our *Liepin* (獵聘) mobile app. During 2018, we have also added certain new features to our free basic services to enhance user experiences, including personality assessment and self-evaluation, interview invitation and online video interview.

We offered paid value-added services to our individual users who require from us career services in addition to the aforesaid free basic services. We offered premium membership packages under different pricing plans for which individual users can subscribe on a monthly, quarterly, semi-annually and annual basis to access to a variety of enhanced functions and tools (e.g. top placement of their professional profiles and group messaging to a large number of headhunters and business HRs). We also offer CV advisory services tailored to the different needs of individual paying users based on the length of their work experience by leveraging over 1,600 third-party professional advisors. During 2018, we have commenced providing two new paid value-added services: *Career Advisory Services* (生涯諮詢) which helps individuals to clarify career development questions, conduct career positioning and achieve better career development, and *Professional Skills Training* (面試教練) which provides one-on-one interview coaching and mock interviews and helps talents to practise interview skills and improve interview passing rate. By leveraging our ecosystem partners, we were able to provide such personalized career services at affordable prices and at large scale to help our individual users to pursue their ideal jobs. These newly launched value-added services were well received by users in 2018. We generated RMB60.5 million of revenue from individual users for the year ended 31 December 2018 (compared with RMB27.2 million in 2017).

Leveraging on our talent networks and AI technology, we have mapped out a comprehensive and expanding talent graph and accumulated data insights that are difficult to replicate. Our talent database accumulates a vast and growing amount of rich, up-to-date and relevant information of job candidates. Such information reflects individual users' profiles, behaviors and social interactions, mutual endorsement, variation and transactions. The networking and social functions of our online professional community enable us to capture users' behavioral data. We collected and analyzed user-generated data to model and predict user intentions and behaviors. Not only we functioned as a massive transaction platform facilitating hiring transactions, but also generated proprietary transactional data to help us enhancing our service quality.

Growth of talent acquisition services to business users

Talent acquisition services to business users continued to be our major source of revenue. For the year ended 31 December 2018, we generated revenue of RMB1,162.6 million (compared with RMB795.8 million generated during the same period in 2017) from this business segment. *Liepintong* (獵聘通) remained our primary platform through which we offered a wide range of basic and advanced talent solutions via PC or mobile app to our verified business users in 2018. We continued to provide free basic talent solutions and tools including job posting services on *Liepintong* (獵聘通), CV search, recommendation and management services, a SaaS-based solution of HR internal synergy tools, and Enterprise Station services. The number of our verified business users increased from 248,600 as of 31 December 2017 to 338,658 as of 31 December 2018. The number of job postings on our online platform also grew from 2.5 million as of 31 December 2017 to 3.9 million as of 31 December 2018.

In addition to our basic talent acquisition services, we offer customized subscription packages for business customers to access advanced talent acquisition services to further optimize their recruitment efficiency. Pricings of our subscription packages are determined based on the talent acquisition services selected by our business customers as well as our relationships with such business customers, which typically range from RMB10,000 to RMB40,000 per package and generally have a term of 12 months. These tools include our 360-degree CV review and downloading services, *Express Hiring 2.0* (急聘2.0), invitations to apply for jobs, intent communication with job candidates, salary reports and background checks.

Business customers can also elect to purchase our headhunter-assisted, closed-loop talent acquisition services, primarily *Interview Express* (面試快), *Onboarding Express* (入職快) and *Recruiting Process Outsourcing (3.0)* (招聘流程外包(3.0)) for which they will pay us a fixed fee upon the completion of certain milestones based on the offered annual salary of a particular job. The number of times that our business customers launched new hiring via *Interview Express* (面試快) and *Onboarding Express* (入職快) increased to 216,798 as of 31 December 2018 from 158,923 for the same period in 2017.

By leveraging various types of closed-loop talent acquisition transactions, we collected highly valuable and insightful transaction data altogether with our comprehensive and expanding talent graph. Benefiting from the insights of these valuable data, our technology and Big Data team continued to improve matching algorithm to further enhance our service improvement and matching efficiency between job opportunities and candidates. In 2018, more than 70% of candidates' job applications were matched with job opportunities with the assistance of our AI matching technology before referral of job opportunities to our individual users.

Strengthened partnership with headhunters

Headhunters are critical partners in our ecosystem. Fundamentally different from any other online recruiting platform, not only can headhunters source candidates for free, but they can manage their candidate sourcing process in customized ways via *Chenglietong* (誠獵通) for free.

This SaaS-based headhunter platform can streamline and optimize headhunters' sourcing process, internal management and dashboard throughout their service process including posting jobs, downloading and managing candidate CVs and initial contacts with candidates on *Chenglietong* (誠獵通) SaaS platform.

In 2018, we have implemented the following enhancements to *Chenglietong* (誠獵通): intelligence recommendation to headhunters and onboarding express rating system whereby headhunters and HRs can rate each other's response rate, service quality and success ratio to further improve the capabilities of the AI-selected headhunters.

The number of our verified headhunters increased from 101,840 as of 31 December 2017 to 137,031 as of 31 December 2018. The total number of contacts with registered individual users by our verified headhunters also increased from 482.1 million to 729.0 million over the same period. This represents an average of 16 contacts per registered individual user every year from our verified headhunters in 2018. Headhunters significantly boost up the level of activity and engagement of registered individual user.

The table below summarizes the key operating metrics of the Company as of the dates indicated.

	As of 31 December	
	2018	2017
Individual Users		
Number of registered individual users (in millions)	**46.9**	38.9
Number of individual paying users	**178,901**	89,606
Average annual salary of registered individual users (in RMB)	**168,341**	144,286
Number of CVs (in millions)	**46.9**	38.9
Business Users and Customers		
Number of verified business users	**338,658**	248,600
Number of business customers	**48,230**	39,887
Number of job postings (in millions)	**3.9**	2.5
Headhunters		
Number of verified headhunters	**137,031**	101,840
Number of contacts with registered individual users by our verified headhunters (in millions)	**729.0**	482.1

FUTURE OUTLOOK AND STRATEGIES

Despite the market turbulence and uncertainties in light of certain macroeconomic factors such as slowdown of China GDP growth, the US-China trade war, we are generally optimistic about the long-term prospect of the PRC human resources industry as well as our business while remaining cautious of any risks of short-term fluctuations of business confidence in economic growth which might ultimately affect employers' hiring sentiments and, hence, their budgets on procuring talent acquisition services.

The US-China trade war will no doubt affect business sentiment, investment and economic growth and raise business uncertainty in a short run. However, we believe that the effects of the US-China trade war would prompt the PRC government to expedite the economic structural transformation and industrial advancement of China.

We strongly believe that talent upgrade is the prerequisite for such economic structural transformation and industrial advancement. Chinese companies will be forced to implement organizational upgrade to better address their challenges which will increase the demand for mid- to high-end talents, require ongoing talent upgrade and prompt shifting from traditional offline recruitment services to more advanced, efficient and cost-effective online talent acquisition solutions and services. Further, the PRC mid- to high-end talent acquisition services market is still predominantly served by traditional offline recruitment service providers and under penetrated by online talent acquisition services providers.

We will continue to focus on our strategies on mid- to high-end segment in order to grow talent base and strengthen user experiences and bring more ecosystem partners to empower our network. We will continue to expand our business customer base and broaden product offerings in talent acquisition services in China through product innovation, AI technology and Big Data analytics capabilities to stay competitive the market.

FINANCIAL REVIEW

Revenue

Our revenue was RMB1,225.3 million in 2018, a 48.6% increase from RMB824.7 million in 2017, which was primarily due to the growth of talent acquisition services provided to business customers and professional career services provided to individual users. During the period under review, approximately 94.9% of our revenue was generated from providing talent acquisition services to our business customers, primarily in the forms of (1) customized subscription packages that include various talent services charging at various fixed rates, and (2) transaction-based talent acquisition services that charge at a fixed rate based on the offered annual salary of a particular job upon completion of certain hiring milestones. We also generated a small portion of our revenues from (1) providing professional career services, such as premium membership services, career coaching and CV advisory services to our registered individual users, and (2) directing individual user traffic to certain internet service providers. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the year ended 31 December			
	2018		2017	
	RMB'000	***%***	*RMB'000*	*%*
Talent acquisition services to business customers	**1,162,605**	**94.9**	795,756	96.5
Professional career services to individual paying users	**60,547**	**4.9**	27,243	3.3
Rental income from investment property	**2,156**	**0.2**	1,663	0.2
Total	**1,225,308**	**100.0**	824,662	100.0

Revenue from talent acquisition services to business customers was RMB1,162.6 million in 2018, a 46.1% increase from RMB795.8 million in 2017 primarily due to the increase in number of business customers and increase in average revenue per user.

Revenue from professional career services to individual paying users was RMB60.5 million in 2018, a 122.2% increase from RMB27.2 million in 2017 primarily due to more product innovation provided to mid- to high-end talents.

Revenue from rental income from investment property was RMB2.2 million in 2018, a 29.6% increase from RMB1.7 million in 2017.

Cost of Revenue

Our cost of revenue primarily comprised service and project expenses, salaries and benefits of our talent acquisition service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB237.7 million in 2018, a 80.5% increase from RMB131.7 million in 2017, primarily driven by an increase in service and project expenses as we continued to scale up our operations. Specifically, the increase in service and project expenses was mainly attributable to (i) higher proportion of *Interview Express* (面試快) and *Onboarding Express* (入職快), which bear higher costs, primarily headhunter-related costs, as compared to other closed-loop talent acquisition services, in our product mix offering, and we notice that due to the slowdown of economy in the second half of 2018, business customers preferred using closed-loop services with performance-based fee structure, and (ii) to a lesser extent, an increase in miscellaneous costs as we carried out more talent acquisition projects for our business customers.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB987.7 million in 2018, a 42.5% increase from RMB693.0 million in 2017. Gross profit margin decreased to 80.6% in 2018 from 84.0% in 2017 due to higher proportion of *Onboarding Express* (入職快) and *Interview Express* (面試快) , which bears higher costs, primarily headhunter-related costs, as compared to other closed-loop talent acquisition services in our product mix offering.

Sales and Marketing Expenses

Our sales and marketing expenses primarily comprised salaries and benefits (including share-based compensation expenses) for sales, sales support and marketing personnel, advertising and promotion expenses and other expenses associated with our sales and marketing activities. Our sales and marketing expenses were RMB713.1 million in 2018, a 46.3% increase from RMB487.3 million in 2017, which was primarily due to the increase in sales personnel salary and incentives and the increase in advertising and promotion expenses which are in line with the growth of revenue, and also due to the increase in share-based compensation expenses from RMB3.7 million in 2017 to RMB9.4 million in 2018. Our sales and marketing expenses, as a percentage of revenue, decreased from 59.1% in 2017 to 58.2% in 2018, primarily due to improvement on sales and marketing efficiency.

General and Administrative Expenses

Our general and administrative expenses primarily encompassed salaries and benefits (including share-based compensation expenses) for our general and administrative personnel, office expenses (including rental expense) and other operating expenses which include impairment losses for doubtful accounts receivable. Our general and administrative expenses were RMB211.7 million in 2018, a 125.5% increase from RMB93.9 million in 2017, which was primarily due to a one-time listing expenses of RMB47.2 million and an increase in share-based compensation expenses from RMB1.3 million in 2017 to RMB23.7 million in 2018. Our general and administrative expenses, as a percentage of revenue, increased from 11.4% in 2017 to 17.3% in 2018, primarily due to the share-based compensation expenses and the one-time listing expenses.

Research and Development Expenses

Our research and development ("**R&D**") expenses primarily comprised salaries and benefits (including share-based compensation expenses) for R&D personnel and other R&D related expenses, such as office rental and depreciation of equipment associated with R&D activities. Our R&D expenses were RMB138.4 million in 2018, a 50.6% increase from RMB91.9 million in 2017, which was primarily due to the increase in R&D headcounts and increase in salaries and benefits paid to our R&D personnel including share-based compensation expenses increasing from RMB4.1 million in 2017 to RMB15.2 million in 2018. As a percentage of revenue, our R&D expenses increased from 11.1% in 2017 to 11.3% in 2018, primarily as a result of continuous expansion of our R&D team.

Other Income

Other income primarily comprised income we derived from interest income from bank deposits and government grants. Our other income increased by 355.7% from RMB15.3 million in 2017 to RMB69.9 million in 2018, primarily as a result of the increase in interest income from bank deposits.

Profit from Operations

As a result of the foregoing, our loss from operations was RMB5.7 million in 2018, while there was profit from operations of RMB35.3 million in 2017, which was mainly due to the one-time listing expenses amounting to RMB47.2 million and the share-based compensation expenses in an aggregate amount of RMB48.3 million.

Net Finance Income/(Cost)

Net finance income/(cost) primarily consisted of foreign currency exchange gain/(loss) due to fluctuations of USD against RMB, interest expenses on bank loans, loss on fair value changes of convertible loans and bank charges. Our net finance income/(cost) changed from a net finance cost of RMB27.7 million in 2017 to a net finance income of RMB16.8 million in 2018, primarily as a result of foreign currency exchange gain.

Profit before Tax

As a result of the foregoing, profit before tax was RMB10.2 million in 2018, compared to a profit of RMB7.6 million in 2017.

Income Tax

Income tax expenses were RMB7.4 million in 2018 (2017: nil).

Profit for the Year

Profit for the year was RMB2.7 million in 2018, decreasing from RMB7.6 million in 2017, which was mainly due to the one-time listing expenses amounting to RMB47.2 million.

Non-GAAP Financial Measures

Non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses and one-time listing expenses) was RMB103.3 million in 2018, compared to a non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses) of RMB18.1 million in 2017.

To supplement the consolidated results of the Group prepared in accordance with IFRS, non-GAAP profit has been presented in this announcement. The Company's management believes that the non-GAAP financial measures provide investors with clearer view on the Group's financial results and useful supplementary information to assess the performance of the Group's strategic operations by excluding the impact of certain non-cash items and one-off expenses. Nevertheless, the use of the non-GAAP financial measures has limitations as an analytical tool. The unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS. In addition, the non-GAAP financial measures may be defined differently from similar terms used by other companies.

Total comprehensive income

As a result of the foregoing, total comprehensive income attributable to the owners of the Company and non-controlling interests was RMB97.4 million in 2018, a 1,190.1% increase from RMB7.6 million in 2017.

LIQUIDITY AND FINANCIAL RESOURCES

We expect our liquidity requirements will be satisfied by a combination of cash generated from operating activities, other funds raised from the capital markets from time to time and the net proceeds from the initial public offering. We currently do not have any plan for material additional external debt or equity financing. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

We had cash and cash equivalents of RMB251.3 million and RMB648.3 million in 2017 and 2018 respectively. Our cash and cash equivalents are held in RMB, HKD and USD. The following table sets forth our cash flows for the periods indicated:

	For the year ended 31 December	
	2018	2017
	(in RMB'000)	
Net cash generated from operating activities	**203,810**	190,978
Net cash used in investing activities	**(2,229,071)**	(9,705)
Net cash generated from/(used in) financing activities	**2,351,703**	(57,325)
Net increase in cash and cash equivalents	**326,442**	123,948
Effect of foreign exchange rate changes	**70,544**	(1,589)
Cash and cash equivalents at the beginning of the reporting period	**251,345**	128,986
Cash and cash equivalents at the end of the reporting period	**648,331**	251,345

Net cash generated from operating activities

In 2018, net cash generated from operating activities was RMB203.8 million, compared to RMB191.0 million in 2017, which was mainly attributable to the growth of business and cash advances from business customers.

Net cash used in investing activities

In 2018, net cash used in investing activities was RMB2,229.1 million, which was mainly attributable to placement of time deposits with bank, compared to RMB9.7 million used in investing activities in 2017.

Net cash generated/(used in) from financing activities

In 2018, net cash generated from financing activities was RMB2,351.7 million, mainly attributable to the proceeds from the initial public offering, compared to RMB57.3 million used in financing activities in 2017.

CAPITAL EXPENDITURES AND LONG-TERM INVESTMENT

Our capital expenditures and long-term investment primarily included payment for property, plant and equipment and intangible assets and payment for purchase of equity securities. The following table sets forth our capital expenditures and long-term investments for the periods indicated:

	For the year ended 31 December	
	2018	2017
	(in RMB'000)	
Payment for property, plant and equipment and intangible assets	**19,384**	5,972
Payment for the purchase of equity securities	**115,326**	—
Total capital expenditures and long-term investments	**134,710**	5,972

Our capital expenditure in 2018 primarily included expenditure for purchases of property, plant and equipment and intangible assets and investment in equity securities. Specifically, in 2018, headquarter building lease improvement of RMB2.2 million was capitalized and we have invested an aggregate of approximately RMB115.3 million in different companies that have technologies or businesses that supplement and benefit our business.

INDEBTEDNESS

We had no bank loans or convertible loans as at 31 December 2018 and 2017.

GEARING RATIO

The gearing ratio (calculated as total bank and other borrowings divided by total assets/ capital) of the Company as at 31 December 2018 was nil (31 December 2017: 0.2%).

The Board and the audit committee of the Company (the "**Audit Committee**") constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

INVENTORIES

Due to the nature of our business being an online platform for talent acquisition services, we have no inventories to be disclosed.

BORROWINGS AND BONDS

As at 31 December 2018, the Company had no bank loan or other borrowings and nor did the Company issue any bonds.

CONTINGENT LIABILITIES

As of 31 December 2018, we did not have any material contingent liabilities.

FOREIGN EXCHANGE RISK

Our transactions are denominated and settled in its functional currency, RMB. Our subsidiaries and PRC operating entities primarily operate in China and are exposed to foreign exchange risk primarily through deposits at banks which give rise to cash balances that are denominated in foreign currency, i.e. a currency other than the functional currency in which our transactions denominated. The currencies giving rise to this risk are primarily USD. We have not hedged against any fluctuation in foreign currency. Our PRC subsidiaries and PRC operating entities all have RMB as their functional currency.

We had foreign currency exchange loss (both realized and unrealized) of RMB25.7 million in 2017 and gain of RMB19.4 million in 2018, recognized as net finance (cost)/income in the consolidated statement of profit or loss and other comprehensive income. The foreign currency exchange gain in 2018 was mainly attributable to USD appreciation against RMB.

CREDIT RISK

Our credit risk is mainly attributable to bank deposits, prepayments, trade and other receivables. Management has a credit policy in place and the exposures to these risks are monitored on an ongoing basis.

Bank deposits are placed with reputable banks and financial institutions.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and to take into account information specific to the customers as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 30 to 60 days from the date of invoice. The Group does not normally obtain collateral from customers.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and hence significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. We did not have significant concentration of debtors as of 31 December 2018.

LIQUIDITY RISK

Individual operating entities within us are responsible for their own management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. Our policy is to regularly monitor liquidity requirements and compliance with lending covenants, to ensure that the operating entities maintain sufficient reserves of cash and realizable marketable securities and adequate committed lines of funding from major financial institutions to meet their liquidity requirements in the short and long terms.

SIGNIFICANT INVESTMENTS HELD

In December 2017, the Group acquired approximately 9.97% of registered capital of Unicareer (Shanghai) Education Technology Co., Ltd. ("**Unicareer**") for a total consideration of RMB55.0 million. Unicareer is a PRC company engaging in the business of online and offline career training for students and employees.

In 2018, the Group acquired 14.59% of registered capital of MoSeeker Inc.("**MoSeeker**") for a total consideration of RMB43.2 million. MoSeeker is a company incorporated in the Cayman Islands, which mainly engaged in providing talent search app and relating services.

In October 2018, the Group entered into an investment agreement with, among others, Shanghai Xunhou Human Resources Co., Ltd. ("**Xunhou**"), a PRC company engaging in the business of online career service for undergraduates and fresh graduates, pursuant to which the Group holds approximately 38.90% of the enlarged registered capital for a total consideration of RMB19.4 million of Xunhou.

The Company believes that all of these investments have technologies or business that supplement and benefit our business in the coming years.

PLEDGE OF ASSETS/CHARGE ON ASSETS

There was no pledge of the Group's assets as at 31 December 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the section headed "Significant Investments Held" in this announcement, the Group did not have any other material acquisition or disposal of subsidiaries or associated companies during the year ended 31 December 2018.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company were approximately HKD2,804.6 million. HKD129.1 million out of the net proceeds have been utilized as at 31 December 2018 in the manner consistent with that disclosed in the Prospectus under the section headed "Future Plans and Use of Proceeds". As at 31 December 2018, unutilised net proceeds was in the amount of approximately HKD2,675.5 million.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Events after the End of the Reporting Period" in this announcement, currently, the Group has no other plans for material investments and capital assets.

ANNUAL RESULTS

Consolidated statement of profit or loss and other comprehensive income
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 RMB'000	2017 (Note) RMB'000
Revenue	2	**1,225,308**	824,662
Cost of revenue		**(237,658)**	(131,685)
Gross profit		**987,650**	692,977
Other income	3	**69,912**	15,343
Sales and marketing expenses		**(713,097)**	(487,274)
General and administrative expenses		**(211,693)**	(93,870)
Research and development expenses		**(138,430)**	(91,920)
(Loss)/profit from operations		**(5,658)**	35,256
Net finance income/(cost)		**16,807**	(27,705)
Share of losses of associate		**(960)**	—
Profit before taxation		**10,189**	7,551
Income tax	4	**(7,446)**	—
Profit for the year		**2,743**	7,551
Attributable to:			
— Equity shareholders/owners of the Company		**7,737**	8,998
— Non-controlling interests		**(4,994)**	(1,447)
Profit for the year		**2,743**	7,551
Earnings per share	8		
Basic (RMB Cent)		**1.70**	2.23
Diluted (RMB Cent)		**1.60**	2.23

	Note	2018	2017
			(Note)
	Note	***RMB'000***	*RMB'000*
Profit for the year		**2,743**	7,551
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas companies		**94,675**	—
Other comprehensive income for the year		**94,675**	—
Total comprehensive income for the year		**97,418**	7,551
Attributable to:			
Equity shareholders/owners of the Company		**102,412**	8,998
Non-controlling interests		**(4,994)**	(1,447)
Total comprehensive income for the year		**97,418**	7,551

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.

Consolidated statement of financial position

AT 31 DECEMBER 2018

	Note	**31 December 2018**	31 December 2017 *(Note)*
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**27,751**	22,614
Investment properties		**28,065**	29,096
Intangible assets		**13,227**	8,605
Other financial assets	7	**105,918**	—
Available-for-sale financial assets		**—**	6,200
Interests in associate		**18,444**	—
Other non-current assets		**7,161**	3,360
		200,566	69,875
Current assets			
Trade receivables	5	**36,019**	18,462
Prepayments and other receivables		**72,117**	19,495
Receivables from related parties		**—**	2,000
Receivables from shareholders		**—**	62,638
Other current assets		**79,118**	120,010
Time deposits with banks		**2,587,426**	398,586
Cash and cash equivalents		**648,331**	251,345
		3,423,011	872,536
Current liabilities			
Trade and other payables	6	**151,625**	108,215
Contract liabilities		**636,992**	—
Deferred revenue		**—**	443,790
Payables to related parties		**—**	2,004
Current taxation		**7,442**	—
		796,059	554,009
Net current assets		**2,626,952**	318,527
Total assets less current liabilities		**2,827,518**	388,402
NET ASSETS		**2,827,518**	388,402

	Note	**31 December 2018**	31 December 2017 *(Note)*
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital		**332**	31,785
Reserves		**2,828,363**	352,800
Total equity attributable to equity shareholders/owners of the Company		**2,828,695**	384,585
Non-controlling interests		**(1,177)**	3,817
TOTAL EQUITY		**2,827,518**	388,402

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.

Consolidated statement of cash flow
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
		(Note)
	RMB'000	*RMB'000*
Operating activities		
Profit before taxation	**10,189**	7,551
Adjustments for:		
Impairment losses on trade receivables	**12,528**	3,307
Impairment losses on available-for-sale financial assets	**—**	3,800
Depreciation in property, plant and equipment and investment property	**12,329**	13,640
Amortization in intangible assets	**2,192**	2,109
Loss on disposal of property, plant and equipment	**7**	77
Net finance (income)/cost	**(17,649)**	27,201
Interest income from bank deposits	**(55,452)**	(8,895)
Investment income from wealth management products	**(1,833)**	(2,777)
Share of losses of associate	**960**	—
Share-based compensation expenses	**48,336**	9,115
Changes in working capital:		
Increase in trade receivables	**(30,085)**	(17,355)
(Increase)/decrease in prepayment and other receivables, receivables from related parties and other current assets	**(20,870)**	435
Increase in contract liabilities and deferred revenue	**193,202**	123,521
Increase in trade and other payables and payables to related parties	**29,977**	21,562
Interest received	**19,984**	7,687
Cash generated from operations	**203,815**	190,978
Income tax paid	**(5)**	—
Net cash generated from operating activities	**203,810**	190,978

	2018	2017
		(Note)
	RMB'000	*RMB'000*
Investing activities		
Proceeds from sale of property, plant and equipment	**118**	37
Investment income from wealth management products received	**1,471**	2,777
Proceeds from maturity of wealth management products	**240,000**	530,000
Proceeds from maturity of time deposits with banks	**398,586**	744,959
Payment for the purchase of property, plant and equipment and intangible assets	**(19,384)**	(5,972)
Payment for the purchase of wealth management products	**(190,000)**	(530,000)
Payment for the purchase of equity securities	**(115,326)**	—
Placement of time deposits with banks	**(2,544,536)**	(751,506)
Net cash used in investing activities	**(2,229,071)**	(9,705)
Financing activities		
Capital injection from owners	**2,371,875**	30,000
Capital injection from non-controlling owners	**—**	5,313
Payment for repurchase of own shares	**(16,507)**	—
Proceeds from reorganization	**1,054,606**	—
Proceeds from bank loans	**352,765**	—
Payment for reorganization	**(1,054,978)**	—
Repayment from bank loans	**(352,765)**	—
Interest paid	**(1,758)**	—
Payment for issuance cost	**(1,535)**	—
Repayment of convertible loans	**—**	(92,638)
Net cash generated from/(used in) financing activities	**2,351,703**	(57,325)
Net increase in cash and cash equivalents	**326,442**	123,948
Cash and cash equivalents at the beginning of the year	**251,345**	128,986
Effect of foreign exchange rate changes	**70,544**	(1,589)
Cash and cash equivalents at the end of the year	**648,331**	251,345

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Changes in accounting policies

The International Accounting Standards Board has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

(i) IFRS 9, *Financial instruments*

(ii) IFRS 15, *Revenue from contracts with customers*

(iii) IFRS Interpretations Committee ("**IFRIC**") 22, *Foreign currency transactions and advance consideration*

The accounting policies adopted are consistent with those of the year ended 31 December 2017, except for the first time adoption of the new and amendments to IFRSs effective for the Group's financial year beginning on 1 January 2018. Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the financial statements, the disclosures or the amounts recognised in the consolidated financial statements of the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to IFRS 9.

(i) IFRS 9, Financial instruments

IFRS 9 replaces International Accounting Standard ("**IAS**") 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied IFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. Therefore, comparative information continues to be reported under IAS 39.

There is no retained earnings adjustments recognised for the consolidated statement of financial position that has been impacted by IFRS 9.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a. *Classification of financial assets and financial liabilities*

IFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede IAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table shows the original measurement categories for each class of the Group's financial assets under IAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with IAS 39 to those determined in accordance with IFRS 9:

	Note	**IAS 39 carrying amount at 31 December 2017** *RMB'000*	**Reclassification** *RMB'000*	**IFRS 9 carrying amount at 1 January 2018** *RMB'000*
Financial assets measured at fair value-Investment in wealth management products	*(i)*	100,000	—	100,000
Financial assets measured at FVOCI (non-recyclable)				
Equity securities	*(ii)*	—	6,200	6,200
Financial assets classified as available-for-sale under IAS 39	*(ii)*	6,200	(6,200)	—

Notes:

(i) Under IAS 39, investment in wealth management products were classified as financial assets measured at fair value. They are classified as at FVPL under IFRS 9.

(ii) Under IAS 39, investment in equity securities not held for trading were classified as available-for-sale financial assets. Under IFRS 9, they are eligible for and designated at FVOCI by the Group. At 1 January 2018, the Group designated its investment in Beijing Geekpark Management Consulting Co., Ltd. at FVOCI, as the investment is held for strategic purposes.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of IFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

b. *Credit losses*

IFRS 9 replaces the "incurred loss" model in IAS 39 with the "expected credit loss" (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS 39.

The Group applies the new ECL model to the following items:

— financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables); and

— lease receivables.

There is no material difference between the closing loss allowance determined in accordance with IAS 39 as at 31 December 2017 and the opening loss allowance determined in accordance with IFRS 9 as at 1 January 2018.

c. *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

— Information relating to comparative periods has not been restated. There is no material difference in the carrying amounts of financial assets resulting from the adoption of IFRS 9. Accordingly, the information presented for 2017 continues to be reported under IAS 39 and thus may not be comparable with the current period.

— The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of IFRS 9 by the Group):

  — the determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of IFRS 9 by the Group); and

  — the designation of certain investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).

— If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

(ii) IFRS 15, Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. IFRS 15 replaces IAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and IAS 11, *Construction contracts*, which specified the accounting for construction contracts.

IFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under IAS 18. As allowed by IFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

The adoption of IFRS 15 did not have a material impact on the consolidated financial statements except for presentation.

(iii) IFRIC 22, Foreign currency transactions and advance consideration

This Interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of IFRIC 22 does not have any material impact on the financial position and the financial result of the Group.

2 Revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2018	2017
		(Note)
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Talent acquisition services to business customers	**1,162,605**	795,756
Professional career services to individual paying users	**60,547**	27,243
Revenue from other sources		
Rental income from investment property	**2,156**	1,663
	1,225,308	824,662

The Group's customer base is diversified. There was no customer with whom transactions have exceeded 10% of the Group's revenue in 2018.

The Group has one reportable segment, which is talent acquisition services.

The Group's operations, assets and most of the customers are located in the PRC.

Accordingly, no geographic information is presented.

3 Other income

	2018	2017
	RMB'000	*RMB'000*
Interest income from bank deposits	**55,452**	8,895
Investment income from wealth management products	**1,833**	2,777
Government grant	**11,170**	2,100
Others	**1,457**	1,571
	69,912	15,343

4 Income tax in the consolidated statement of profit or loss

	2018	2017
	RMB'000	*RMB'000*
Current tax	**7,446**	—
Deferred tax	**—**	—
	7,446	—

The Group's PRC subsidiaries are subject to the PRC Corporate Income Tax Law ("**CIT Law**") and are taxed at the statutory income tax rate of 25%. The Group's subsidiaries in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% of the assessable profits. The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

5 Trade receivables

	31 December 2018	31 December 2017
	RMB'000	*RMB'000*
Trade receivables — measured at amortised cost	**36,019**	18,462

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of allowance for credit loss, is as follows:

	2018	2017
	RMB'000	*RMB'000*
Within 60 days	**22,392**	17,513
60 days to 1 year	**11,566**	949
Over 1 year	**2,061**	—
	36,019	18,462

6 Trade and other payables

	31 December 2018 *RMB'000*	31 December 2017 *RMB'000*
Trade payables to third parties	**31,384**	16,047
Salary and welfare payable	**85,481**	68,536
Other tax payables	**12,920**	12,967
Other payables	**21,840**	10,665
	151,625	108,215

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables to third parties, based on the invoice date is as follows:

	31 December 2018 *RMB'000*	31 December 2017 *RMB'000*
Within 30 days	**30,877**	14,184
30 days to 1 year	**507**	1,863
	31,384	16,047

7 Other financial assets

	Notes	**31 December 2018** *RMB'000*	1 January 2018 *RMB'000*	31 December 2017 *RMB'000*
Equity securities designated at FVOCI (non-recycling)				
— Unlisted equity securities	(i)	**7,700**	6,200	—
Financial assets measured at FVPL				
— Unlisted equity securities	(ii) (iii)	**98,218**	—	—
Available-for-sale financial assets				
— Unlisted equity securities		**—**	—	6,200
		105,918	6,200	6,200

Note:

(i) Available-for-sale financial assets were reclassified to equity securities designated at FVOCI (non-recycling) upon the initial application of IFRS 9 at 1 January 2018, which are equity securities the Group invested in unlisted companies.

(ii) In 2018, the Group acquired 14.59% of registered capital of MoSeeker Inc.("**MoSeeker**") for a total consideration of RMB43.2 million. MoSeeker is a company incorporated in Cayman Islands, which mainly engaged in providing talent search app and relating services. It is classified as at FVPL under IFRS 9.

(iii) In December 2017, the Group acquired approximately 9.97% of registered capital of Unicareer (Shanghai) Education Technology Co., Ltd. ("**Unicareer**") for a total consideration of RMB55.0 million. Unicareer is a PRC company engaging in the business of online and offline career training for students and employees. Such investment is classified as at FVPL under IFRS 9.

8 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB7.7 million (2017: the profit of RMB9.0 million) and the weighted average of 454.7 million ordinary shares in issue during the year (2017: 389.9 million ordinary shares in issue upon the completion of reorganization were deemed to have been issued since 1 January 2017 and adjusted for the effect of convertible loan converted in 2017).

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB7.7 million (2017: the profit of RMB9.0 million) and the weighted average number of ordinary shares of 483.2 million shares (2017: 389.9 million ordinary shares in issue upon the completion of reorganization were deemed to have been issue since 1 January 2017 and adjusted for the effect of convertible loan converted in 2017).

9 Dividends

The board of directors of the Company has resolved not to declare dividend for the year ended 31 December 2018.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has applied the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and has complied with the code provisions in the CG Code from 29 June 2018, the date on which the shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Listing Date**"), to 31 December 2018, save for the deviation from code provision A.2.1 as disclosed below.

We do not have a separate chairman and chief executive officer and Mr. Dai Kebin currently performs these two roles. While this will constitute a deviation from code provision A.2.1 of the CG Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our directors and that our Board comprises three independent non-executive directors out of nine directors, and we believe there is sufficient check and balance in our Board; (ii) Mr. Dai Kebin and the other directors are aware of and undertake to fulfill their fiduciary duties as directors, which require, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both our Board and senior management levels. Finally, as Mr. Dai Kebin is our principal founder, our 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 our Group and enables more effective and efficient overall strategic planning for and communication within our Group. Our Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. 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 2018.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to 31 December 2018.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") has three members (comprising two independent non-executive directors), being Mr. Choi Onward (chairman), Mr. Ye Yaming and Mr. Zuo Lingye, with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2018 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Auditor's Procedures Performed on this Announcement

The figures in respect of the announcement of the Group's results for the year ended 31 December 2018 have been audited and agreed by the Auditor to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an audit, review or other assurance engagement, and consequently no assurance has been expressed by the Auditor on this announcement.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 26 March 2019, Liepin (HK) Information Technology Co., Limited, a wholly-owned subsidiary of the Company ("**Liepin (HK)**") entered into two investment term sheets with Changsha Ranxing Information Technology Co., Ltd. ("**Changsha Ranxing**") and Mr. Hu Xiao, and Nantong Chengwei Changqing Equity Investment Partnership (Limited Partnership) respectively (all third parties independent of the Company and its connected persons). Pursuant to the investment term sheets, Liepin (HK) conditionally agreed to invest in 75% equity interest in Changsha Ranxing for a total consideration of RMB944.76 million. The total consideration will be settled by the Company partly in cash (to be satisfied by the internal resources of the Group) and partly by either transferring or issuing of consideration shares of the Company. Upon completion of the acquisition, Changsha Ranxing will become a non-wholly-owned subsidiary of the Company. Changsha Ranxing primarily engages in the provision of Internet services in China with its main product Wenjuanxing (問卷星) which is a leading online questionnaire software-as-a-service (SaaS) platform in China. The Board believes that the above investment will help strengthen and expand the service coverage of the Group, and further improve the Group's ability to provide users with comprehensive talent services. For details of the acquisition, please refer to the announcement of the Company dated 27 March 2019.

Save as disclosed in this announcement, no other important events affecting the Company occurred after 31 December 2018 and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2018.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**AGM**") of the Company will be held on Thursday, 6 June 2019. The notice of the AGM will be published and dispatched in due course in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 3 June 2019 to Thursday, 6 June 2019, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all duly completed share transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 31 May 2019.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Hong Kong Stock Exchange (***www.hkexnews.hk***) and the Company (***www.liepin.com***).

The annual report for the year ended 31 December 2018 containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By Order of the Board
Wise Talent Information Technology Co., Ltd
Dai Kebin
Chairman

PRC, 28 March 2019

As at the date of this announcement, the Board of Directors of the Company comprises Mr. DAI Kebin, Mr. CHEN Xingmao and Ms. XU Lili as executive Directors, Mr. SHAO Yibo, Mr. ZUO Lingye and Mr. DING Gordon Yi as non-executive Directors, and Mr. YE Yaming, Mr. ZHANG Ximeng and Mr. CHOI Onward as independent non-executive Directors.