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Wise Talent Information Technology Co., Ltd

有才天下信息技术有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 6100)

DISCLOSEABLE TRANSACTION ENTERING INTO OF INVESTMENT TERM SHEETS

The Board is pleased to announce that, on 26 March 2019, Liepin HK entered into the Investment Term Sheets, pursuant to which Liepin HK has conditionally agreed to strategically invest in the Target Equity for a total consideration of RMB944.76 million.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Investment (in aggregate) are more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Investment is subject to the reporting and announcement requirements, but is exempted from the shareholders' approval requirement, as set out in Chapter 14 of the Listing Rules.

As the completion of the Investment is subject to the satisfaction of a number of conditions precedent, the Investment may or may not complete. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The board of directors (the “**Board**”) of Wise Talent Information Technology Co., Ltd (the “**Company**”, and together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce that, on 26 March 2019, Liepin (HK) Information Technology Co., Limited (“**Liepin HK**”), a wholly-owned subsidiary of the Company, entered into (1) an investment term sheet (the “**Investment Term Sheet 1**”) with Changsha Ranxing Information Technology Co., Ltd. (長沙冉星信息科技有限公司) (“**Changsha Ranxing**”) and Mr. Hu Xiao (胡嘯) (the “**Founder**”), and (2) an investment term sheet (the “**Investment Term Sheet 2**”, and together with the Investment Term Sheet 1, the “**Investment Term Sheets**”) with Nantong Chengwei Changqing Equity Investment Partnership (Limited Partnership) (南通成為長青股權投資合夥企業 (有限合夥)) (the “**Minority Shareholder**”), pursuant to which Liepin HK has conditionally agreed to strategically invest in a total of 75% of the total equity interest in Changsha Ranxing (the “**Target Equity**”) for a total consideration of RMB944.76 million (collectively, the “**Investment**”).

Upon completion of the Investment, Changsha Ranxing will become a non-wholly owned subsidiary of the Company.

INVESTMENT TERM SHEET 1

Date: 26 March 2019

Parties:

- (1) Liepin HK;
- (2) Changsha Ranxing; and
- (3) the Founder.

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”) having made all reasonable enquiries, each of Changsha Ranxing, the Founder and their respective ultimate beneficial owners (as applicable) is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Target Equity

Pursuant to the Investment Term Sheet 1, Liepin HK has conditionally agreed to strategically invest in Changsha Ranxing and acquire 61.23% of the total equity interest in Changsha Ranxing from the Founder and/or his holding entities (the “**Transferor**”), after completion of the reorganization and establishment of a standard variable interest entity (“**VIE**”) structure by Changsha Ranxing.

Consideration

The total consideration for the Investment under Investment Term Sheet 1 amounts to RMB734.76 million, which will be satisfied by a combination of cash and transfer of existing, or issuance of new, ordinary shares of nominal value US\$0.0001 each in the share capital of the Company (the “**Shares**”), and will be paid in the following manner:

- (i) RMB50 million (or its equivalent in an overseas currency) will be paid to the Founder within 3 business day after the entering into of the Investment Term Sheet 1 as bridge loan (the “**Bridge Loan**”). The Bridge Loan will be converted to consideration as described below upon the entering into and completion of the final transaction documents, provided that, if the transaction is not completed, the Bridge Loan shall be returned within 10 business days after the termination of the transaction;
- (ii) RMB534.76 million will be paid to the Transferor within 3 months after the entering into and completion of the final transaction documents, of which (a) RMB184.76 million will be paid in an equivalent overseas currency, and (b) RMB300 million will be paid by the transfer of existing Shares or issuance of new Shares (the “**Consideration Shares**”). Furthermore, the Bridge Loan will be converted into consideration;
- (iii) if Changsha Ranxing’s revenue and profits for the year ending 31 December 2019 reach certain threshold to be separately agreed by the parties, RMB100 million (in an equivalent overseas currency) will be paid to the Transferor within 10 business days after obtaining the audited results of Changsha Ranxing for the year ending 31 December 2019; and
- (iv) if Changsha Ranxing’s revenue and profits for the year ending 31 December 2020 reach certain threshold to be separately agreed by the parties, RMB100 million (in an equivalent overseas currency) will be paid to the Transferor within 10 business days after obtaining the audited results of Changsha Ranxing for the year ending 31 December 2020.

The consideration under Investment Term Sheet 1 (except the part of the consideration to be satisfied by the transfer or issuance of Shares as described in paragraph (ii) above) will be paid in cash and satisfied by the internal resources of the Group.

The consideration was determined after arm's length negotiations based on the principle of equality, voluntariness as well as compensation of equal value between the parties with reference to the profitability and business prospect of Changsha Ranxing, as well as market conditions. Accordingly, the Directors consider that the consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Consideration Shares

As described in paragraph (ii) under the section headed "Consideration" above, part of the consideration under Investment Term Sheet 1 in the amount of RMB300 million will be satisfied by the transfer or the issuance of Consideration Shares. The transfer or issue price of the Consideration Shares will be determined based on the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the 30 trading days immediately preceding the entering into of the final transaction documents, provided that, if there are any specific rules and requirements of the Stock Exchange in relation to such price, the parties shall discuss in good faith to adjust the price in accordance with the rules and requirements of the Stock Exchange.

If new Consideration Shares are issued and assuming that the issue price is HK\$24.74 per Consideration Share (being the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the Investment Term Sheet 1 and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediate preceding the date of the Investment Term Sheet 1), the Company would issue 14,196,035 Consideration Shares, representing (i) approximately 2.74% of the total number of issued Shares of the Company as at the date of this announcement and (ii) approximately 2.67% of the total number of issued Shares of the Company as enlarged by the issuance of the Consideration Shares.

The transfer or issue price of the Consideration Shares was determined after arm's length negotiations based on the principle of equality, voluntariness as well as compensation of equal value between the parties with reference to the prevailing market price and trading volume of the Shares.

The Consideration Shares, if allotted and issued, will rank *pari passu* with all the other issued Shares in the share capital of the Company at the time of allotment and issuance of the Consideration Shares.

The Consideration Shares, if issued, will be issued pursuant to the general mandate (the “**General Mandate**”) which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s extraordinary general meeting held on 9 June 2018 to allot and issue up to 99,111,892 Shares, representing 20% of number of Shares in issue immediately following completion of the Company’s global offering and listing on the Stock Exchange. As at the date of this announcement, none of the General Mandate has been utilized and 99,111,892 Shares remain to be issuable pursuant to the General Mandate.

If any new Consideration Shares are issued, an application will be made by the Company to the Stock Exchange for the listing of and permission to deal in such Consideration Shares.

Conditions Precedent

The completion of the transaction under Investment Term Sheet 1 is subject to the satisfaction of the following conditions precedent:

- (1) execution and delivery of the final transaction documents, including but not limited to, investment agreement, amended and restated shareholders agreement, business cooperation agreement, VIE agreements, onshore equity transfer agreement and other necessary documents;
- (2) Changsha Ranxing having completed the establishment of a standard VIE structure;
- (3) representations and warranties to be made by the parties in the final transaction documents remaining true and accurate as at the date of completion of the transaction, and the compliance by the parties with their respective obligations and undertakings thereunder;
- (4) necessary internal approvals having been obtained by the parties, and remaining to be valid;
- (5) filings and registrations in relation to the transaction having been completed (including, among others, changes with applicable Administration of Industry and Commerce in the People’s Republic of China (the “**PRC**”), changes in the register of members and register of directors in the Cayman Islands);
- (6) all governmental approvals, registrations and filings in relation to the transaction having been obtained or completed;
- (7) no material adverse change having occurred or is reasonably foreseeable in relation to the financial conditions, assets, operations and business prospect of Changsha Ranxing;

- (8) due diligence in relation to the business, legal, tax, financial and information technology of Changsha Ranxing having been completed to the reasonable satisfaction of Liepin HK;
- (9) the Founder having entered into customary (i) formal employment agreement for a term of not less than 5 years and (ii) intellectual property, confidentiality and non-compete undertakings in accordance with applicable laws and regulations;
- (10) the Founder shall procure the entering into of equity transfer agreements to the reasonable satisfaction of Liepin HK between (i) any entities directly or indirectly controlled by the Founder (collectively, the “**Affiliate Companies**”) which conduct business activities relevant to Changsha Ranxing, its subsidiaries, controlled companies and subsidiaries of controlled companies (collectively, the “**Changsha Ranxing Group**”) and (ii) Changsha Ranxing, in relation to the transfer of 100% of the equity interests of the Affiliate Companies to Changsha Ranxing;
- (11) other customary conditions precedent, including but not limited to the issuance of legal opinion(s); and
- (12) Changsha Ranxing having cash of not less than RMB93.77 million (after any dividend) and properties of not less than RMB20 million.

INVESTMENT TERM SHEET 2

Date: 26 March 2019

Parties:

- (1) Liepin HK; and
- (2) the Minority Shareholder.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Minority Shareholder and its ultimate beneficial owners (as applicable) is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Target Equity

Pursuant to the Investment Term Sheet 2, Liepin HK has conditionally agreed to strategically invest in Changsha Ranxing and acquire 13.77% of the total equity interest in Changsha Ranxing from the Minority Shareholder.

Consideration

The total consideration for the Investment under Investment Term Sheet 2 amounts to RMB210 million, which will be paid in the following manner (or such other manner as may be agreed by the parties):

- (i) an amount in United States dollars (or such other currency as may be agreed by the parties) equivalent to RMB21 million will be paid to the Minority Shareholder or its designee within 1 business day after the entering into of the Investment Term Sheet 2 as deposit (the “**Deposit**”). The Deposit will be converted to consideration upon the entering into and completion of the final transaction documents;
- (ii) an amount in United States dollars (or such other currency as may be agreed by the parties) equivalent to RMB189 million will be paid to the Minority Shareholder or its designee within 30 days after the entering into and completion of the final transaction documents.

The consideration under Investment Term Sheet 2 will be paid in cash and satisfied by the internal resources of the Group.

The consideration was determined after arm’s length negotiations based on the principle of equality, voluntariness as well as compensation of equal value between the parties with reference to the profitability and business prospect of Changsha Ranxing, as well as market conditions. Accordingly, the Directors consider that the consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Conditions Precedent

The completion of the transaction under Investment Term Sheet 2 is subject to the satisfaction of the following conditions precedent:

- (1) execution and delivery of the final transaction documents, including but not limited to, strategic framework agreement, equity transfer agreement and other documents the parties consider reasonably necessary;
- (2) representations and warranties to be made by the parties in the final transaction documents remaining true and accurate as at the date of completion of the transaction, and the compliance by the parties with their respective obligations and undertakings thereunder;
- (3) necessary internal approvals having been obtained by the parties, and remaining to be valid; and
- (4) all governmental approvals, registrations and filings in relation to the transaction having been obtained or completed.

INFORMATION ABOUT THE PARTIES

Changsha Ranxing is a limited liability company established under the laws of the PRC. The Changsha Ranxing Group is primarily engaged in the provision of internet services in China. Its main product Wenjuanxing (問卷星) is a leading online questionnaire software-as-a-service (SaaS) platform in China, which assists enterprise customers with survey, assessment and balloting services.

The Founder is an individual who is the founder and a director of Changsha Ranxing.

The Minority Shareholder is a limited partnership established under the laws of the PRC and a private equity investor. As at the date of this announcement, it holds 13.77% of the total equity interest in Changsha Ranxing.

As at 31 December 2017, the unaudited net asset value of Changsha Ranxing based on its management accounts prepared in accordance with the International Financial Reporting Standards (the “IFRS”) amounted to approximately RMB66,200,972.

The table below sets forth the unaudited net profits of Changsha Ranxing for the two financial years ended 31 December 2017 based on its management accounts prepared in accordance with IFRS:

	Year ended 31 December	
	2016	2017
	RMB	RMB
Net profits before taxation and extraordinary items	N/A	1,406,311.44
Net (loss) after taxation and extraordinary items	N/A	(5,302,245.99)

Note: Changsha Ranxing had no profit for the year ended 31 December 2016 as it was not yet established in 2016.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Group is a pioneer in China’s talent services market, operating a leading online talent services platform focused on mid- to high-end talents for both individual and business users to access a variety of talent services.

The Company continues to explore investment opportunities so as to increase the return for its shareholders. As a leading online questionnaire service platform provider in China, Changsha Ranxing Group’s business is highly compatible with the Group’s talent services business, and will assist the Group to provide one-stop employee survey, assessment and balloting services to its users. The Directors believe that the 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.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Investment are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Investment (in aggregate) are more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Investment is subject to the reporting and announcement requirements, but is exempted from the shareholders' approval requirement, as set out in Chapter 14 of the Listing Rules.

As the completion of the Investment is subject to the satisfaction of a number of conditions precedent, the Investment may or may not complete. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Wise Talent Information Technology Co., Ltd
DAI Kebin
Chairman

PRC, 27 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.