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**Wise Talent Information Technology Co., Ltd**

**有才天下信息技术有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6100)**

**SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
ENTERING INTO OF  
(1) CHANGSHA RANXING CONTRACTUAL ARRANGEMENTS  
AND  
(2) SUPPLEMENTAL AGREEMENT**

The Board is pleased to announce that, on 27 November 2019, the WFOE entered into the Changsha Ranxing Contractual Arrangements with Changsha Ranxing and the Changsha Ranxing Registered Shareholders.

On the same date, TD Elite HK entered into the Supplemental Agreement with, among others, the BVI SPVs, pursuant to which the parties agreed the detailed arrangements in relation to the transfer of the Consideration Shares and certain changes to the payment arrangements with respect to the consideration payable to the BVI SPVs for the Strategic Investment.

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

## INTRODUCTION

Reference is made to (i) the announcement of the Company dated 27 March 2019, (ii) the announcement of the Company dated 26 August 2019 and (iii) the announcement of the Company dated 25 November 2019 (collectively, the “**Previous Announcements**”) in relation to the investment by Liepin HK in the equity interest in Changsha Ranxing. Unless the context otherwise requires, capitalised terms defined in the Previous Announcements have the same meanings when used in this announcement.

As disclosed in the Previous Announcements, on 26 August 2019, Liepin HK, a wholly-owned subsidiary of the Company, entered into the Investment Framework Agreement with (i) Changsha Ranxing, (ii) the Founding Shareholders, (iii) Ningbo Ranxing, and (iv) the Minority Shareholder, pursuant to which Liepin HK agreed to strategically invest in an aggregate of 66.60% of the total number of shares in the Cayman Company to be transferred by the BVI SPVs and the Minority Shareholder Offshore SPV to Liepin HK or its designated entity.

## CHANGSHA RANXING CONTRACTUAL ARRANGEMENTS

Pursuant to the Investment Framework Agreement, on 27 November 2019, the WFOE entered into the following Changsha Ranxing Contractual Arrangements with (i) Changsha Ranxing and (ii) its registered shareholders comprising: (a) each of the Founding Shareholders, (b) Liedao (i.e. Liepin HK’s designated entity in the PRC, which acquired 13.77% equity interest held by the Minority Shareholder in Changsha Ranxing) and (c) Ningbo Ranxing (collectively, the “**Changsha Ranxing Registered Shareholders**”):

### Exclusive Option Agreement

The WFOE and Changsha Ranxing Registered Shareholders entered into an exclusive option agreement with Changsha Ranxing dated 27 November 2019 (the “**Exclusive Option Agreement**”), pursuant to which the WFOE is granted an irrevocable and exclusive right to purchase all of the equity interest in and/or assets of Changsha Ranxing for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, the Changsha Ranxing Registered Shareholders and/or Changsha Ranxing shall return any amount of purchase price they have received to the WFOE. At the WFOE’s request, the Changsha Ranxing Registered Shareholders and/or Changsha Ranxing will promptly and unconditionally transfer their respective equity interests in and/or the relevant assets of Changsha Ranxing to the WFOE (or its designee) after the WFOE exercises its purchase right. The Exclusive Option Agreement is for an initial term of 10 years and is automatically renewable upon expiry unless the WFOE confirms a new renewal term in writing.

In order to prevent the flow of the relevant assets and value of Changsha Ranxing and its subsidiaries to the Changsha Ranxing Registered Shareholders, during the term of the Exclusive Option Agreement, Changsha Ranxing is not allowed to, and shall procure its subsidiaries not to, sell, transfer, mortgage or otherwise dispose of any of its assets (exceeding the value of RMB1 million) without the prior written consent of the WFOE. In addition, Changsha Ranxing is not allowed to, and shall procure its subsidiaries not to, make any distributions to its shareholder(s) without the prior written consent of the WFOE. In the event that the Changsha Ranxing Registered Shareholders receive any distribution from Changsha Ranxing and/or its subsidiaries and subject to the PRC laws, the Changsha Ranxing Registered Shareholders must immediately pay or transfer such distribution to the WFOE (or its designee). If the WFOE exercises its purchase right, all or any part of the equity interests in and/or assets of Changsha Ranxing acquired would be transferred to the WFOE and the benefits of equity ownership and/or assets, as applicable, would flow to the direct and indirect shareholders of the WFOE (including the Company).

As provided in the Exclusive Option Agreement, without the prior written consent of the WFOE, Changsha Ranxing shall not, and shall procure its subsidiaries not to, among other things, (i) sell, transfer, pledge or dispose of in any manner any of its assets for a value more than RMB1 million; (ii) execute any material contract for a value more than RMB1 million, except any contracts in the ordinary course of business and any contracts entered into with any members of the WFOE's group; (iii) provide any loan, financial support, pledge or guarantees in any form to any third party, or allow any third party create any pledge or other security interest on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business of Changsha Ranxing or not disclosed and consented to by the WFOE; (v) enter into any consolidation or merger with any third party, or acquire or invest in any third party; (vi) increase or reduce its registered capital, or alter the structure of the registered capital in any other way.

The Exclusive Option Agreement provides that the Changsha Ranxing Registered Shareholders and Changsha Ranxing shall procure the subsidiaries of Changsha Ranxing to comply with the above undertaking as if they are parties to the Exclusive Option Agreement. Therefore, due to the relevant restrictive provisions in the agreement, the potential adverse effect on the WFOE and the Company in the event of any loss suffered from Changsha Ranxing and/or its subsidiaries can be limited to a certain extent. In addition, in relation to the above restrictive provisions specified in the Exclusive Option Agreement, the Company will aggregate asset disposals or value of contracts if such asset disposals or value of contracts (i) are entered into by the Company with the same party or parties; or (ii) involve the disposal or contracts which relate to the whole or parts of the asset or securities or interests in a company or group of companies.

The Company's PRC Legal Advisor has advised that the Exclusive Option Agreement is legal, valid and binding on the parties and is enforceable under applicable PRC laws and regulations, except for the provisions that (i) an arbitral body may grant injunctive relief or directly issue liquidation order against Changsha Ranxing and its subsidiaries, and (ii) interim remedies or enforcement order may be granted by overseas courts such as the courts of Hong Kong and the Cayman Islands, which may not be enforceable under PRC laws. Since Changsha Ranxing is not a state-owned enterprise, Changsha Ranxing is able to enter into contracts with the WFOE or its designee to provide for the acquisition of the relevant equity interests in and/or assets of Changsha Ranxing by the WFOE or its designee for a nominal price or pre-determined amount without being subject to any examination, approval or valuation procedures. In addition, the WFOE or its designee can exercise its option to purchase the relevant equity interests in and/or assets of Changsha Ranxing for a nominal price or a pre-determined amount in accordance with the relevant procedures stipulated in the Exclusive Option Agreement, which shall be subject to the relevant approvals, registration or filings with the PRC regulatory authorities as applicable.

### **Exclusive Business Cooperation Agreement**

The WFOE entered into an exclusive business cooperation agreement with Changsha Ranxing on 27 November 2019 (the "**Exclusive Business Cooperation Agreement**"), pursuant to which Changsha Ranxing agrees to engage the WFOE as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment leasing, market consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under such arrangements, the service fees, subject to the WFOE's adjustment, are equal to all of the net profit of Changsha Ranxing and its subsidiaries. The WFOE may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of Changsha Ranxing and its subsidiaries from previous financial periods, which will be wired to the designated account of the WFOE upon issuance of payment notification by the WFOE. The WFOE enjoys all the economic benefits derived from the businesses of Changsha Ranxing and its subsidiaries and bears the relevant portion of the business risks of Changsha Ranxing. If Changsha Ranxing runs into financial deficit or suffers severe operation difficulties, the WFOE will provide financial support to Changsha Ranxing proportionately.

Intellectual property rights are developed during the normal course of business of Changsha Ranxing and its subsidiaries. Pursuant to the Exclusive Business Cooperation Agreement, the WFOE will have the exclusive and proprietary rights to all intellectual properties developed by Changsha Ranxing and its subsidiaries, given that the WFOE provides consultation services to Changsha Ranxing and its subsidiaries during the term of the Exclusive Cooperation Agreement. Part of the economic benefits generated by Changsha Ranxing and its subsidiaries will be intellectual properties developed or created during the normal business operation of Changsha Ranxing and its subsidiaries. The services provided by the WFOE typically include providing core technical services, such as programming, while Changsha Ranxing and its subsidiaries execute the ideas and supplement with details, such as art designing and text editing, and intellectual properties are developed in the process. Though the parties do not intend to transfer any existing intellectual property rights held by Changsha Ranxing to the WFOE, Changsha Ranxing is required under the Changsha Ranxing Contractual Arrangements to obtain the WFOE's prior written consent before they transfer, assign or dispose of any of the intellectual properties to any third party.

The Company's PRC Legal Advisor is of the opinion that (i) such provision relating to the intellectual properties will not result in these agreements being challenged by the relevant government authorities in the PRC; (ii) it is legal for Changsha Ranxing to hold the intellectual property rights in relation to its businesses, which is in compliance with the requirements of the Administrative Measures for the Licensing of Telecommunication Business Operations (《電信業務經營許可管理辦法》) and the Circular of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services (《信息產業部關於加強外商投資經營增值電信業務管理的通知》).

The Exclusive Business Cooperation Agreement is for an initial term of ten years and may be extended by the WFOE for a term determined by the WFOE.

## Share Pledge Agreement

The WFOE, the Changsha Ranxing Registered Shareholders and Changsha Ranxing entered into a share pledge agreement on 27 November 2019 (the “**Share Pledge Agreement**”).

Under the Share Pledge Agreement, the Changsha Ranxing Registered Shareholders will pledge as first charge all of their respective equity interests in Changsha Ranxing to the WFOE as collateral security for any or all of their payments due to the WFOE and to secure performance of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and the Power of Attorney (as defined below). The Share Pledge Agreements will not terminate until (i) all obligations of Changsha Ranxing and the Changsha Ranxing Registered Shareholders are satisfied in full; (ii) the WFOE exercises its exclusive option to purchase the entire equity interests held by the Changsha Ranxing Registered Shareholders in Changsha Ranxing and/or the entire assets of Changsha Ranxing pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws; (iii) the WFOE exercises its unilateral and unconditional right of termination; or (iv) the agreement is required to be terminated in accordance with applicable PRC laws. In addition, under the Exclusive Option Agreement, none of the Changsha Ranxing Registered Shareholders may transfer or permit the encumbrance of any of their equity interests in and the relevant assets of Changsha Ranxing (including any equity interests in and the relevant assets of the subsidiaries of Changsha Ranxing) without the WFOE’s prior written consent. Furthermore, under the Exclusive Business Cooperation Agreement, the WFOE is entitled to retain and exercise physical control of company seals and certificates that are crucial to the daily operations of Changsha Ranxing, which further strengthens the protection of the WFOE’s interests over Changsha Ranxing under the Changsha Ranxing Contractual Arrangements.

Should an event of default (as provided in the Share Pledge Agreement) occur, unless it is successfully resolved to the WFOE’s satisfaction within 30 days upon being notified by the WFOE, the WFOE may demand that the Changsha Ranxing Registered Shareholders and/or Changsha Ranxing immediately pay all outstanding payments due under the Exclusive Business Cooperation Agreement, repay any loans and make all other payments due to it, and/or dispose of the pledged equity interests and use the proceeds to repay any outstanding payments due to the WFOE. The pledge under the Share Pledge Agreement will be duly registered with the relevant PRC legal authority pursuant to PRC laws and regulations.



## **Power of Attorney**

An irrevocable power of attorney has been entered into between the Changsha Ranxing Registered Shareholders, the WFOE and Changsha Ranxing on 27 November 2019 (the “**Power of Attorney**”), whereby the Changsha Ranxing Registered Shareholders will appoint the WFOE or a director of its offshore holding company or its/his/her successor (including a liquidator replacing the WFOE’s director) as their exclusive agent and attorney to act on their behalf on all matters concerning Changsha Ranxing and to exercise all of its rights as a registered shareholder of Changsha Ranxing. These rights include (i) the right to propose, convene and attend shareholders’ meetings; (ii) the right to sell, transfer, pledge or dispose of shares; (iii) the right to exercise shareholders’ voting rights; and (iv) the right to act as the legal representative (chairperson) of Changsha Ranxing. The authorized person is entitled to sign minutes, file documents with the relevant companies registry and exercise voting rights on the winding up of Changsha Ranxing on behalf of the Changsha Ranxing Registered Shareholders. The Changsha Ranxing Registered Shareholders have each undertaken to transfer all assets obtained after the winding up of Changsha Ranxing to the WFOE at nil consideration or the lowest price permissible by the then applicable PRC laws. As a result of the Power of Attorney, the Company, through the WFOE and the Cayman Company, is able to exercise management control over the activities that most significantly impact the economic performance of Changsha Ranxing.

The Power of Attorney also provides that, in order to avoid potential conflicts of interest, where the Changsha Ranxing Registered Shareholders are officers or directors of the WFOE, the Hong Kong Company or the Cayman Company, the powers of attorney are granted in favor of other unrelated officers or the directors of the WFOE, the Hong Kong Company or the Cayman Company.

The Powers of Attorney shall automatically terminate once the WFOE (or its designee) directly holds the entire equity interests in and/or the entire assets of Changsha Ranxing once permitted under the then PRC laws and the WFOE (or its designee) is allowed to conduct the relevant businesses of Changsha Ranxing under the then PRC laws, following which the WFOE is registered as the sole shareholder of Changsha Ranxing.

## **Dispute Resolution**

Each of the Changsha Ranxing Contractual Arrangements stipulates that the parties shall negotiate in good faith to resolve the dispute in the event of any dispute with respect to the construction and performance of the provisions. In the event the parties fail to reach an agreement on the resolution of such a dispute within 30 days after any party's request for resolution of the dispute through negotiations, any party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to the courts with competent jurisdiction for enforcement of arbitration rulings after the arbitration rulings come into force.

Each of the Changsha Ranxing Contractual Arrangements also provides that (i) the arbitral tribunal may award remedies over the equity interests, assets or property interest of Changsha Ranxing, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Changsha Ranxing; and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Cayman Company) and other jurisdiction (being the place of domicile of Changsha Ranxing and where the principal assets of Changsha Ranxing or the WFOE are located) also have jurisdiction for the grant or enforcement of the arbitral award and the interim remedies against the shares or property interest of Changsha Ranxing.

However, the Company's PRC Legal Advisor has advised that (i) a tribunal normally would not grant such kind of injunctive relief or winding up order of Changsha Ranxing under PRC laws; (ii) interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and (iii) even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the Changsha Ranxing Contractual Arrangements.

As a result of the above, in the event that Changsha Ranxing or the Changsha Ranxing Registered Shareholders breach any of the Changsha Ranxing Contractual Arrangements, the Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Changsha Ranxing and conduct its business could be materially and adversely affected. Please refer to the section headed "Risks and Limitations relating to the Changsha Ranxing Contractual Arrangements" of the Company's announcement dated 26 August 2019 for details.



## Succession

The provisions set out in the Changsha Ranxing Contractual Arrangements are also binding on the successors of the Changsha Ranxing Registered Shareholders, as if the successors were signing parties to the Changsha Ranxing Contractual Arrangements. Under the succession laws of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and the maternal grandparents and any breach by the successors would be deemed to be a breach of the Changsha Ranxing Contractual Arrangements. In case of a breach, the WFOE can enforce its rights against the successors.

Pursuant to the Changsha Ranxing Contractual Arrangements, any inheritor of the Changsha Ranxing Registered Shareholders shall inherit any and all rights and obligations of the registered shareholders under the Changsha Ranxing Contractual Arrangements as a result of their death, loss of capacity, marriage, divorce, bankruptcy or under other circumstance which would affect their exercise of equity interest in Changsha Ranxing, as if the inheritor was a signing party to the Changsha Ranxing Contractual Arrangements.

In addition, the spouse of each of the Founding Shareholders has executed an irrevocable undertaking on 27 November 2019, whereby they will expressly and irrevocably acknowledge and undertake that (i) any equity interests held by the Founding Shareholders in Changsha Ranxing do not fall within the scope of their communal properties; (ii) they will not have any claim on the interests of Changsha Ranxing obtained through the Changsha Ranxing Contractual Arrangements; (iii) they have never participated and will not participate in the operation or management of Changsha Ranxing.

Based on the foregoing, the Company's PRC Legal Advisor is of the view that (i) the Changsha Ranxing Contractual Arrangements provide protection to us even in the event of loss of capacity, death, bankruptcy (if applicable), marriage or divorce of the Changsha Ranxing Registered Shareholders; and (ii) loss of capacity, death, bankruptcy (if applicable), marriage or divorce of the Changsha Ranxing Registered Shareholders would not affect the validity of the Changsha Ranxing Contractual Arrangements, and the WFOE can enforce its rights under the Changsha Ranxing Contractual Arrangements against the successors of such shareholders.

## **Arrangements to Address Potential Conflicts of Interests**

The Changsha Ranxing Registered Shareholders undertake that, during the period that the Changsha Ranxing Contractual Arrangements remain effective, (a) they shall not execute any documents with or make any undertaking to any third parties that may have conflicts of interests with any agreements entered into by the WFOE or Changsha Ranxing, (b) they shall not commit or refrain from committing any act that may lead to any conflicts of interests between the Changsha Ranxing Registered Shareholders and the WFOE (including its shareholders) and (c) in the event of the occurrence of a conflict of interests (where the WFOE has the sole absolute discretion to determine whether such conflict arises), they shall take appropriate measures up on the consent of the WFOE and its designee to eliminate such conflicts, failing which the WFOE has the right to exercise the option under the Exclusive Option Agreement.

The Power of Attorney also provides that, in order to avoid potential conflicts of interest, where the Changsha Ranxing Registered Shareholders are officers or directors of the WFOE, the Hong Kong Company or the Cayman Company, the powers of attorney are granted in favor of other unrelated officers or directors of the WFOE, the Hong Kong Company or the Cayman Company.

## **Loss Sharing**

None of the agreements constituting the Changsha Ranxing Contractual Arrangements provides that the Company or the WFOE is obligated to share the losses of Changsha Ranxing, but if Changsha Ranxing suffers any losses or material difficulties of business, the WFOE may provide financial support as permitted under PRC laws at its discretion to Changsha Ranxing under the terms of the Exclusive Business Cooperation Agreement. Further, Changsha Ranxing is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Under PRC laws and regulations, the Company or the WFOE is not expressly required to share the losses of Changsha Ranxing or provide financial support to Changsha Ranxing. Despite the foregoing, given that the relevant businesses of Changsha Ranxing are conducted in the PRC through Changsha Ranxing and its subsidiaries which hold the requisite PRC license and approvals and that Changsha Ranxing's results of operations and assets and liabilities are consolidated into the Company's results of operations and assets and liabilities under the applicable accounting principles, the Company's business, financial condition and results of operations would be adversely affected if Changsha Ranxing and its subsidiaries suffered losses.

## **Liquidation**

Pursuant to the Exclusive Option Agreement, in the event of a mandatory liquidation required by PRC laws, Changsha Ranxing shall sell all of its assets, to the extent permitted by PRC laws, to the WFOE or another qualifying entity designated by the WFOE, at the lowest selling price permitted by applicable PRC laws. Any obligation for the WFOE to pay Changsha Ranxing as a result of such transaction shall be waived by Changsha Ranxing and any profits arising from the above transactions shall be paid to the WFOE or the qualifying entity designated by the WFOE in partial satisfaction of the service fees under the Exclusive Option Agreement, as applicable under the then current PRC laws. Accordingly, in the event of winding up of Changsha Ranxing, a liquidator may seize the relevant assets of Changsha Ranxing through the WFOE based on the Changsha Ranxing Contractual Arrangements for the benefit of creditors/shareholders.

## **Termination**

Each of the Changsha Ranxing Contractual Arrangements provides that the WFOE and Changsha Ranxing shall terminate the Changsha Ranxing Contractual Arrangements once the WFOE holds the entire equity interests and/or the entire assets of Changsha Ranxing under the then PRC laws and if the WFOE or its subsidiaries are able to conduct the relevant businesses of Changsha Ranxing directly as a result of being permitted to do so under the then PRC laws and the WFOE is registered as the sole shareholder of Changsha Ranxing. In addition, pursuant to the Exclusive Business Cooperation Agreement, the WFOE has the unilateral right to terminate these agreements at any time by providing 30 days' advance written notice to Changsha Ranxing.

## **Internal control measures**

The WFOE and Changsha Ranxing will have control measures in place, which primarily include measures with respect to accounts payables and receivables, which require the review and approval by the relevant department(s) of the WFOE and Changsha Ranxing to confirm the services provided by the WFOE and received by Changsha Ranxing periodically. Further, to ensure that the WFOE will not engage in the businesses or any other relevant businesses of Changsha Ranxing in the PRC, the WFOE will set up an internal control procedure, which requires the senior staff members of relevant departments to review the business to be entered into by the WFOE. In addition, the WFOE will review business contracts to be entered into by the WFOE to ensure compliance with the applicable PRC laws, regulations and rules.

## **Company's confirmation**

As of the date of this announcement, the Company had not encountered any interference or encumbrance from any PRC governing bodies in operating the relevant businesses through Changsha Ranxing and its subsidiaries under the Changsha Ranxing Contractual Arrangements.

## **Others**

Please refer to the announcement of the Company dated 26 August 2019 for other details in relation to the Changsha Ranxing Contractual Arrangements, including reasons for adopting the Changsha Ranxing Contractual Arrangements, structure of the Changsha Ranxing Contractual Arrangements, the Foreign Investment Law of the PRC and its possible impact on the Changsha Ranxing Contractual Arrangements and risks and limitations relating to the Changsha Ranxing Contractual Arrangements.

The principal terms of the Changsha Ranxing Contractual Arrangements will also be published on the Company's investor relations website.

## **SUPPLEMENTAL AGREEMENT**

On 27 November 2019, TD Elite HK entered into a supplemental agreement (the "**Supplemental Agreement**") with, with (i) the BVI SPVs, (ii) the Cayman Company, (iii) the Hong Kong Company, (iv) the WFOE, (v) Changsha Ranxing and (vi) the Founding Shareholders, pursuant to which the parties agreed the detailed arrangements in relation to the transfer of the Consideration Shares (the "**Transfer Price**") and certain changes to the payment arrangements with respect to the consideration payable to the BVI SPVs for the Strategic Investment.

### **Transfer of Consideration Shares**

Pursuant to the Supplemental Agreement, the parties agreed that the Consideration Shares of the Company equivalent of RMB200,000,000 shall be paid by the transfer of certain outstanding Shares of the Company without transfer restrictions, namely 11,674,209 outstanding Shares of the Company, from certain entities designated by TD Elite HK to the BVI SPVs (the "**Transferor of Consideration Shares**").

The transfer price of the Consideration Shares (the "**Transfer Price**") shall be determined based on the average closing price of the Shares of the Company as stated in the Stock Exchange's daily quotation sheets for the 30 trading days immediately preceding 27 November 2019, namely HK\$19.07.

As disclosed in the Previous Announcements, the Transfer Price of the Consideration Shares was determined after arm's length negotiations between the parties based on the principle of equality, voluntariness as well as compensation of equal value with reference to the profitability and business prospect of Changsha Ranxing, as well as market conditions. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the Transfer Price of the Consideration Shares is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Consideration Shares represent approximately 2.25% of the total number of issued Shares of the Company as at the date of this announcement.

### **Changes to Payment Arrangements**

As disclosed in the Previous Announcements, the total consideration payable to the Founding Shareholders for the Strategic Investment under the Investment Framework Agreement was RMB633.96 million, of which (i) RMB50 million shall be paid by Liepin HK or its designated entity to the BVI SPVs within 5 business days after the establishment of the BVI SPVs and the issuance of a written payment notice from the BVI SPVs to Liepin HK or its designee, (ii) an amount in United States dollars equivalent to RMB383.96 million shall be paid by Liepin HK or its designated entity to the BVI SPVs within 5 businesses days after the establishment of the Cayman Company, and (iii) RMB200 million shall be paid to the BVI SPVs by the issuance or transfer of the Consideration Shares by the Company to the BVI SPVs within 60 days after the entering into of the Investment Framework Agreement, completion of the SAFE Registration and evidence in relation to the share transfers in the Cayman Company having been provided by the Founding Shareholders to Liepin HK or its designee.

Due to the unexpected delay to the closing of the Strategic Investment and the payment schedule contemplated under the Investment Framework Agreement, the parties have also agreed to make certain changes to the payment arrangements with respect to the consideration payable to the BVI SPVs for the Strategic Investment pursuant to the terms of the Supplemental Agreement as follows:

- (1) an amount in United States dollars equivalent to RMB50,000,000 has already been paid by TD Elite HK to the BVI SPVs within 5 business days after the establishment of the BVI SPVs and the issuance of a written payment notice from the BVI SPVs;
- (2) an amount in United States dollars equivalent to RMB383,960,000 has already been paid by TD Elite HK to the BVI SPVs within 5 businesses days after the establishment of the Cayman Company and the issuance of a written payment notice from the BVI SPVs; and
- (3) the Consideration Shares will be transferred to the BVI SPVs by the Transferor of Consideration Shares in the form of block trading within certain period after 27 November 2019 as mutually agreed by the BVI SPVs and the Transferor of Consideration Shares, including 7,061,456 Consideration Shares to be transferred to XIAO H Holdings Limited, 3,741,454 Consideration Shares to be transferred to Yong W Holdings Limited, and 871,299 Consideration Shares to be transferred to ETON Y Holdings Limited. On 26 November 2019, TD Elite HK also provided funding in the total amount of US\$28,410,301.57 (equivalent to RMB200 million) to the BVI SPVs for them to purchase the Consideration Shares.

**As the completion of the Strategic Investment is subject to the satisfaction of a number of conditions precedent, the Strategic Investment may or may not completed. 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 November 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.*