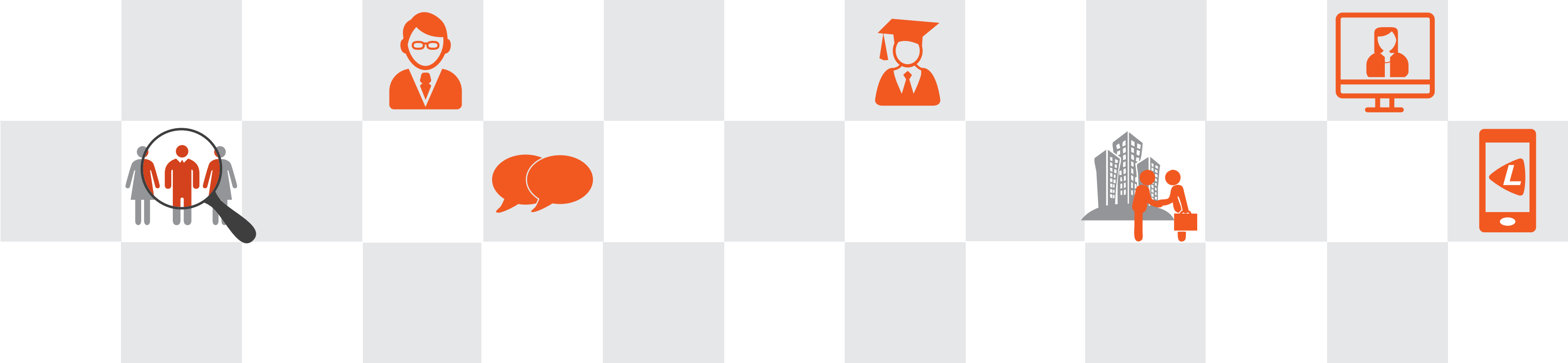


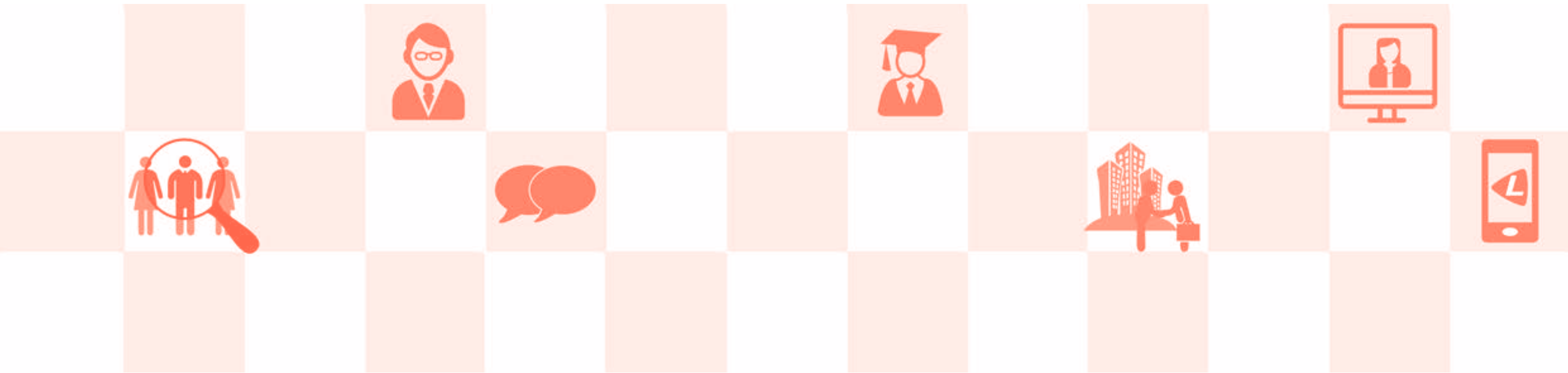
猎聘 Liepin

Wise Talent Information Technology Co., Ltd

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6100

INTERIM REPORT 2018



CONTENTS

DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

“AI”	artificial intelligence
“Average annual salary of registered individual users”	the average annual salary of all registered individual users who have provided to the Company with their salary information, which accounted for a substantial majority of all registered individual users
“Big Data”	big data
“Board”	the board of directors of our Company
“Business customers”	verified business users that have existing contracts with us as of a given date, excluding business customers with trial subscription
“CAGR”	compound annual growth rate
“Company”, “our Company”, or “the Company”	Wise Talent Information Technology Co., Ltd, (Stock code: 6100) an exempted company with limited liability incorporated under the laws of the Cayman Islands on 30 January 2018, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of our Company
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time
“Headhunter-assisted, closed-loop talent acquisition services”	end-to-end talent acquisition services that are delivered on a one-stop integrated platform, facilitated by headhunters, to business customers
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Individual paying users”	the individual users that have previously subscribed for the Company’s premium membership services or CV advisory services at least once as of a given date
“Job postings”	active and open positions posted by our verified business users and verified headhunters on our online platform, excluding those that have been removed upon the completion of the hiring process or due to being more than 90 days old

"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mid- to high-end talents"	individual job candidates with an average annual salary of at least RMB100,000
"Number of CVs"	number of professional profiles of registered individual users presented to business customers that typically include at least the name, gender, age, location, contact number, current employer, title, salary and industry of such registered individual users
"Percentage of total number of job postings with an average annual salary of at least RMB100,000"	the number that equals to the total number of job postings with an average annual salary of at least RMB100,000 as of a given date, divided by the total number of job postings as of the same date
"PRC"	the People's Republic of China
"Prospectus"	the prospectus of the Company, dated 19 June 2018, in relation to its global offering
"R&D"	research and development
"Registered individual users"	the individual users that have completed all required registration and verification procedures to the Company's satisfaction, which include both individual paying users and individual non-paying users as of a given date
"Reporting Period"	the six months ended 30 June 2018
"SaaS"	software-as-a-solution, which refers to the Company's talent services delivery model where the Company hosts a range of proprietary software solutions and provide them to the Company's registered individual users, verified business users and verified headhunters over the internet
"Talent services"	talent acquisition services and professional career services provided to business users and individual users, as the case may be
"Total number of contacts with individual users by our verified headhunters"	the total number of contacts with individual users by the Company's verified headhunters through phone calls and messages, as of a given date

"Verified business users"	all business users that have completed all required registration and verification procedures to the Company's satisfaction, which include both business customers and non-paying business users who do not have active contracts with the Company as of a given date
"Verified headhunters"	the headhunters that have completed all required registration and verification procedures to our satisfaction

BOARD OF DIRECTORS

Executive Directors

Mr. Dai Kebin
(Chairman and Chief Executive Officer)
Mr. Chen Xingmao *(Chief Technology Officer)*
Ms. Xu Lili *(Chief Financial Officer)*

Non-executive Directors

Mr. Shao Yibo
Mr. Zuo Lingye
Mr. Ding Gordon Yi

Independent Non-executive Directors

Mr. Ye Yaming
Mr. Zhang Ximeng
Mr. Choi Onward

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 415–3, Building No.5
Courtyard No. 59, Gaoliangqiaoxie Road
Haidian District
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 402, 4/F Fairmont Hse.
No. 8 Cotton Tree Drive
Admiralty, Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
P.O. Box 309, Ugland House
Grand Cayman KY1–1104
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall, Cricket Square
Grand Cayman KY1–1102
Cayman Islands

LEGAL ADVISER TO HONG KONG LAW

Davis Polk & Wardwell
18th Floor, The Hong Kong Club Building
3A Chater Road, Hong Kong

COMPLIANCE ADVISOR

Guotai Junan Capital Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central, Hong Kong

PRINCIPAL BANK

Industrial and Commercial Bank of China
No.110, Jianguo Road
Chaoyang District
Beijing, PRC

COMPANY SECRETARY

Ms. Fung Wai Sum *(ACS, ACIS)*

AUTHORIZED REPRESENTATIVES

Mr. Dai Kebin
Ms. Fung Wai Sum

AUDIT COMMITTEE

Mr. Choi Onward *(Chairman)*
Mr. Ye Yaming
Mr. Zuo Lingye

REMUNERATION COMMITTEE

Mr. Zhang Ximeng *(Chairman)*
Mr. Choi Onward
Mr. Ding Gordon Yi

NOMINATION COMMITTEE

Mr. Dai Kebin *(Chairman)*
Mr. Ye Yaming
Mr. Zhang Ximeng

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

STOCK CODE

6100

AUDITOR

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

COMPANY WEBSITE

www.liepin.com

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2018, the operations and business of the Group has achieved the following growth when compared with those for the six months ended 30 June 2017:

- 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 RMB578.9 million for the six months ended 30 June 2018, a 55.3% increase from RMB372.7 million for the six months ended 30 June 2017.

- Gross profit was RMB484.0 million for the six months ended 30 June 2018, a 53.2% increase from RMB315.9 million for the six months ended 30 June 2017.

- Net profit was RMB4.8 million for the six months ended 30 June 2018, compared to a net loss of RMB9.8 million for the six months ended 30 June 2017.

- Net profit attributable to the owners of the Company was RMB2.9 million for the six months ended 30 June 2018, compared to a loss of RMB9.1 million for the six months ended 30 June 2017.

- Non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses and one-time listing expenses) was RMB61.3 million for the six months ended 30 June 2018, compared to a loss of RMB4.4 million for the six months ended 30 June 2017.

Dear shareholders,

I am pleased to present the 2018 interim report of Wise Talent Information Technology Co., Ltd (the "**Company**") and its subsidiaries (together, the "**Group**", "**Liepin**", "**we**" or "**us**") on behalf of the Board and the management of the Company.

Benefitting from the increasing corporate demand for mid- to high-end talents as a result of the economic transformation and talent upgrade in the PRC, Liepin recorded a strong performance growth in the first half of 2018. For the six months ended 30 June 2018, the Group achieved revenue and gross profit of RMB578.9 million and RMB484.0 million, respectively, representing an increase of 55.3% and 53.2%, respectively, compared to those in the same period in 2017. Net profit for the six months ended 30 June 2018 amounted to RMB4.8 million, compared to the net loss of RMB9.8 million for the six months ended 30 June 2017. Non-GAAP profit attributable to equity owners of Liepin (excluding share-based compensation expenses and one-time listing expenses) for the six months ended 30 June 2018 amounted to RMB61.3 million, as opposed to the loss of RMB4.4 million for the same period last year. This is a manifestation of our operating leverage with significant improvement in efficiency and higher returns from operations. Our cash flows also grew steadily, demonstrated by an increase in net operating cash flows from RMB23.5 million for the first half of last year to RMB117.2 million for the same period this year. The number of registered individual users connected to and empowered by the Group rose from 38.9 million as at 31 December 2017 to 43.2 million as at 30 June 2018, while the number of verified business users increased from 248,600 as at 31 December 2017 to 304,407 as at 30 June 2018. The number of job postings on our online platform also grew from 1.4 million as at 30 June 2017 to 2.4 million as at 30 June 2018. The number of our verified headhunters increased from 91,425 as at 30 June 2017 to 119,271 as at 30 June 2018. The total number of contacts with registered individual users by our verified headhunters also increased from 216.4 million to 332.0 million over the same period.

In particular, we achieved continuous growth and improvement in sales efficiency in terms of talent acquisition services provided to business users. In view of the potential for increasing penetration in various industries, we will continue to enhance our average revenue per user (ARPU), adding more value to our users.

On the other hand, the higher degree of activeness among our individual users was mainly attributable to the attractive career opportunities, the professional social network functions and other value-added services that we offered. In addition to the original value-added user services, Liepin has also launched the new *Career Advisory Services* (生涯諮詢) and interview-related value-added services to individual users to help them resolve career development issues and reach their ideal career paths. The increase in revenue from paid value-added services offered to individual users during the past six months proved that our strategy works.

As for headhunters, we regard them as not only players in our ecosystem but also valued business partners. Through giving weight to headhunters and individual users in the ecosystem of Liepin, we have strengthened the interaction between headhunters and individual users, increased the number of repeated users and inspired users' loyalty, thus popularised our brand and enhanced the degree of activeness of our platform users.

Looking forward to the second half of the year, we will focus on improving our sales and marketing efficiency by not only constantly improving our internal sales information system and AI-driven models so as to enhance sales efficiency, but also enlarging the sales team in order to pitch more quality paid users. On the other hand, Liepin will strive for more individual users for its platform by attracting new users through word-of-mouth and innovative marketing and helping them achieve success. We are also dedicated to the continuous research on and development of products and technology, aiming to hatch more new products and to foster the long-term career development of our users through the research on and development of Big Data analytics and AI technology. The Group strongly believes that Liepin will enjoy room for continuous growth as the economic structural transformation and industrial advancement 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.

Last but not least, the growth of the Group depends on the effort of all staff and support from all sectors of the society, to whom I would like to express my sincere gratitude on behalf of the Board.

Yours faithfully,
Dai Kebin
Chairman

20 August 2018

MARKET REVIEW

The PRC Human Resource Services Market

During the first half of 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.

Benefitting 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.

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.

BUSINESS REVIEW

As a pioneer of online talent acquisition services platform in China, we achieved a strong growth in the first half of 2018. For the six months ended 30 June 2018, our revenue and gross profit amounted to RMB578.9 million and RMB484.0 million, respectively, representing an increase of 55.3% and 53.2%, respectively, compared to the same period in 2017. Set forth below is a summary of major developments of our business in the first half of 2018:

Continued development and expansion of our platforms

We operate the largest talent acquisition services platform in China focused on mid- to high-end talents in term of total revenue in 2017 where we host a range of proprietary online platform and SaaS solutions and provide them to our registered individual users, verified business users and verified headhunters over the internet. Through our mobile app, website and branded WeChat official account, we offer a comprehensive set of talent services to help businesses acquire talents more effectively. As we recognize the centrality of our service providing platforms to connecting different players of our ecosystem, we have continually revamped and improved the platforms' interfaces to enhance users' experience and strengthen the platform's security. During the first six months of 2018, we have implemented a series of enhancements to our systems, including intelligence recommendation to headhunters, onboarding express rating system, interview invitation and online video interview, etc..

Drawing upon our understanding of the evolving needs of our users, we have been continuously leveraging headhunters and other ecosystem partners to offer customized, closed-loop talent acquisition services catering to different needs of our business and individual users. Our headhunter-assisted, closed-loop talent acquisition services such as *Interview Express* (面試快) and *Onboarding Express* (入職快), enable our business customers to request services online, obtain customized hiring services from AI-selected headhunters with result-driven fee structures, identify suitable candidates, and complete payment processes online. Such data-enabled services optimize and deepen our product-mix. During the first six months of 2018, the pace of growth of our headhunter-assisted, closed-loop talent acquisition services, primarily *Interview Express* (面試快) and *Onboarding Express* (入職快) was notable.

Expansion of talent pool

Our core talent acquisition service is based upon a critical mass of active, authentic and diversified talent pool which comprises of active individual users who leverage on our platforms as their prime career optimizer. The number of registered individual users that we have connected and empowered increased from 38.9 million as of 31 December 2017, with an average annual salary of RMB144,286, to 43.2 million as of 30 June 2018, with an average annual salary of RMB155,204.

The level of engagement of our registered individual users is also critical to the quality of the talent pool and, hence, our talent acquisition services. We observe a strong level of activeness among our individual users, which is attributable to the wide-range of attractive career opportunities, the professional social network functions and other value-added services that we offer. We continue to offer certain basic 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 Tongdao* (獵聘同道) mobile app. During the first half of 2018, we have also added certain new features to our free basic services to enhance user experiences, including personality assessment & self evaluation, interview invitation and online video interview.

We also offer paid value-added services to our individual users who require from us career services in addition to the aforesaid free basic services. We offer premium membership packages under different pricing plans for which individual users can subscribe on a monthly, quarterly, semi-annually and annual basis for 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 700 third-party professional advisors. During the first half of 2018, we have commenced providing two new paid value-added service: *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. These two new paid value-added services were well received by users during the first half of 2018.

We generated RMB33.6 million of revenue from individual users during the six months ended 30 June 2018 (compared with RMB9.1 million for the six months ended 30 June 2017).

Growth of talent acquisition services to business users

Provision of talent acquisition services to business users continued to be our major source of revenue. During the six months ended 30 June 2018, we generated revenue of RMB544.1 million (compared with RMB363.0 million generated during the same period in 2017) from this business segment. *Liepintong* (獵聘通) remains our primary platform through which we offer a wide range of basic and advanced talent solutions via PC or mobile app to our verified business users during the first half of 2018. We continue 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 304,407 as of 30 June 2018. The number of job postings on our online platform also grew from 1.4 million as of 30 June 2017 to 2.4 million as of 30 June 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 hiring process. 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 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) for which they will pay us a fixed fee upon the completion of certain milestones based on the offered annual salary of the particular job. The number of times that our business customers had launched new hiring via *Interview Express* (面試快) and *Onboarding Express* (入職快) increased to 80,943 for the six months ended 30 June 2018 from 54,574 for the same period in 2017.

Strengthened partnership with headhunters

We regard our headhunters as not only players in our ecosystem but also valued business partners with whom we provide talent services to. *Chenglietong* (誠獵通) continued to be an important tool through which professional recruiting firms and individual headhunters source and manage candidates in a customized way as well as streamline and optimize their internal management throughout their service process. During the first half of 2018, we have implemented the following enhancements to *Chenglietong* (誠獵通): intelligence recommendation to headhunters and onboarding express rating system.

The number of our verified headhunters increased from 91,425 as of 30 June 2017 to 119,271 as of 30 June 2018. The total number of contacts with registered individual users by our verified headhunters also increased from 216.4 million to 332.0 million over the same period.

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

	As of 30 June		As of 31 December	
	2018	2017	2017	2016
Individual Users				
Number of registered individual users (in millions)	**43.2**	36.2	38.9	32.7
Number of individual paying users	**140,607**	77,546	89,606	66,651
Average annual salary of registered individual users (in RMB)	**155,204**	135,554	144,286	131,404
Number of CVs (in millions)	**43.2**	36.2	38.9	32.7
Business Users and Customers				
Number of verified business users	**304,407**	205,279	248,600	160,399
Number of business customers	**45,377**	35,806	39,887	30,957
Number of job postings (in millions)	**2.4**	1.4	2.5	2.2
Headhunters				
Number of verified headhunters	**119,271**	91,425	101,840	82,545
Number of contacts with registered individual users by our verified headhunters (in millions)	**332.0**	216.4	482.1	215.5

FUTURE OUTLOOK AND STRATEGIES

Despite the market turbulence and uncertainties in light of certain macroeconomic factors such as the US-China trade war, we are generally optimistic about the 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, the Company believes 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. The Company strongly believes that such economic structural transformation and industrial advancement will increase 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. Coupled with multiple drivers including ongoing talent upgrade, economic structural transformation, emergence and popularity of AI and Big Data analytics, it is anticipated there is huge room for online talent acquisition services, in particular, online mid- to high-end talent acquisition services market to grow.

We plan to capitalize on the tremendous potential presented by China's rapid economic growth and structural transformation which fuels the increasing demand for mid- to high-end talents of businesses. While we will continue to expand our talent and business customer base, introduce more partnering headhunters to provide closed-loop services and further enhance our brand equity as a leading talent services platform, the focus of our strategy will be the development of AI and Big Data technology given our conviction of the tremendous potential that such technologies possess to the enhancement of efficiency throughout the talent acquisition process. For example, we plan to continue to invest in AI technologies such as machine learning, knowledge graph and natural language processing. We also plan to further invest in Big Data technology to constantly analyze and address the rapidly evolving demand of our customers. We will continue to enhance our recommendation and matching algorithm and develop more insightful cognitive and personality assessment of our individual users by leveraging our extensive user behavior and transaction data.

We also plan to continuously upgrade and optimize our SaaS solutions through which we offer a comprehensive set of talent services in order to help our business customers to acquire talents more effectively, to allow talents to advance their careers, and to incentivize headhunters to facilitate efficiency and matching results of the entire hiring process. We aim to provide better quality professional and training platform to our individual users.

Further, we plan to further strengthen our competitiveness through selectively pursuing strategic alliances, investments and acquisitions in the broader talent services market and the professional career education market. With respect to the broader talent services market, we will seek opportunities to enter into human resources management services. In the professional education market, we plan to diversify our service offerings in career development services through selective alliances and investments.

FINANCIAL REVIEW

Revenue

Our revenue was RMB578.9 million for the six months ended 30 June 2018, a 55.3% increase from RMB372.7 million for the six months ended 30 June 2017, which was primarily due to the growth of talent acquisition services provided to business customers. During the period under review, approximately 94.0% 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 various fixed rates, and (2) transaction-based talent acquisition services that charge 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 by (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 six months ended 30 June			
	2018		2017	
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Talent acquisition services to business customers	**544,077**	**94.0**	363,047	97.4
Professional career services to individual users	**33,641**	**5.8**	9,122	2.5
Rental income	**1,176**	**0.2**	539	0.1
Total	**578,894**	**100**	372,708	100

Revenue from talent acquisition services to business customers was RMB544.1 million for the six months ended 30 June 2018, a 49.9% increase from RMB363.0 million for the six months ended 30 June 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 users was RMB33.6 million for the six months ended 30 June 2018, a 268.8% increase from RMB9.1 million for the six months ended 30 June 2017 primarily due to more product innovation provided to mid- to high-end talents.

Revenue from rental income was RMB1.2 million for the six months ended 30 June 2018, a 118.2% increase from RMB0.5 million for the six months ended 30 June 2017.

Cost of Revenue

Our cost of revenue primarily comprises service and project expenses, salaries and benefits of our talent acquisition service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB94.9 million for the six months ended 30 June 2018, a 67.1% increase from RMB56.8 million for the six months ended 30 June 2017. This increase was generally in line with our increase in revenue during the same period as we continued to attract and serve more business customers and scale up our operations. Specifically, it was mainly driven by an increase in service and project expenses as we continued to scale up our operations. The increase in service and project expenses was (i) mainly attributable to higher proportion of *Interview Express* (面試快) and *Onboarding Express* (入職快), which bear slightly higher costs primarily headhunter-related costs as compared to other closed-loop talent acquisition services, in our product mix offering, 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 RMB484.0 million for the six months ended 30 June 2018, a 53.2% increase from RMB315.9 million for the six months ended 30 June 2017. Gross profit margin decreased to 83.6% for the six months ended 30 June 2018 from 84.8% for the six months ended 30 June 2017 due to higher proportion of *Onboarding Express* (入職快), which bears slightly higher costs, primarily headhunter-related costs, as compared to other of our closed-loop talent acquisition services in our product mix offering.

Sales and Marketing Expenses

Our sales and marketing expenses primarily comprise 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 RMB333.9 million for the six months ended 30 June 2018, a 41.7% increase from RMB235.6 million for the six months ended 30 June 2017, which was primarily due to the increase in sales personnel salary and incentives which is in line with the growth of revenue. Our sales and marketing expenses as a percentage of revenue decreased from 63.2% for the six months ended 30 June 2017 to 57.7% for the six months ended 30 June 2018, primarily due to improvement on sales efficiency.

General and Administrative Expenses

Our general and administrative expenses primarily encompass 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 RMB107.6 million for the six months ended 30 June 2018, a 153.0% increase from RMB42.5 million for the six months ended 30 June 2017, which was primarily due to one-time listing expenses of RMB42.6 million and increase in share-based compensation expenses from RMB0.6 million for the sixth months ended 30 June 2017 to RMB6.7 million for the sixth months ended 30 June 2018. Our general and administrative expenses as a percentage of revenue increased from 11.4% for the six months ended 30 June 2017 to 18.6% for the six months ended 30 June 2018, primarily due to the share-based compensation expenses and one-time listing expenses.

Research and Development Expenses

Our R&D expenses primarily comprise 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 RMB53.1 million for the six months ended 30 June 2018, a 21.9% increase from RMB43.6 million for the six months ended 30 June 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 in the amount of RMB4.8 million. As a percentage of revenue, our R&D expenses decreased from 11.7% for the six months ended 30 June 2017 to 9.2% for the six months ended 30 June 2018, primarily as a result of the increase in revenue.

Other Income

Other income primarily comprises income we derived from investing in wealth management products and government grants. Our other income increased by 39.3% from RMB4.0 million for the six months ended 30 June 2017 to RMB5.6 million for the six months ended 30 June 2018, primarily as a result of the increase in investment income from wealth management products.

Loss from Operations

As a result of the foregoing, our loss from operations for the six months ended 30 June 2018 was RMB5.0 million, compared to a loss of RMB1.7 million for the six months ended 30 June 2017.

Net Finance Income/(Cost)

Net finance income/(cost) primarily consists of interest income from bank deposits, bank charges, gain or loss on fair value changes of convertible loans, and foreign currency exchange gain/(loss) due to fluctuations of U.S. dollars against RMB. Our net finance income increased from a net finance cost of RMB8.1 million for the six months ended 30 June 2017 to a net finance income of RMB10.1 million for the six months ended 30 June 2018, primarily as a result of foreign currency exchange gain.

Profit/(Loss) before Tax

As a result of the foregoing, profit/(loss) before tax was RMB5.1 million for the six months ended 30 June 2018, compared to a loss of RMB9.8 million for the six months ended 30 June 2017.

Income Tax

Income tax expenses were RMB0.3 million for the six months ended 30 June 2018. There was no income tax expense for the six months ended 30 June 2017 as a result of utilization of accumulated losses position.

Profit/(Loss) for the Reporting Period

Profit was RMB4.8 million for the six months ended 30 June 2018, compared to a loss of RMB9.8 million for the six months ended 30 June 2017.

Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses and one-time listing expenses) has been presented in this interim report. This unaudited non-GAAP financial measure should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, this non-GAAP financial measure may be defined differently from similar terms used by other companies. The Company's management believes that this non-GAAP financial measure provides investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain non-cash items and certain impact of M&A transactions.

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 RMB139.5 million and RMB2,872.7 million as of 30 June 2017 and 30 June 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 six months ended 30 June	
	2018 (unaudited)	2017 (unaudited)
	(in RMB'000)	
Net cash generated from operating activities	**117,211**	23,549
Net cash generated from/(used in) investing activities	**2,500**	(12,306)
Net cash generated from financing activities	**2,500,466**	—
Net increase in cash and cash equivalents	**2,620,177**	11,243
Effect of foreign exchange rate changes	**1,129**	(771)
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	**2,872,651**	139,458

Net cash generated from operating activities

For the six months ended 30 June 2018, net cash generated from operating activities was RMB117.2 million, compared to RMB23.5 million for the six months ended 30 June 2017.

Net cash generated from/(used in) investing activities

For the six months ended 30 June 2018, net cash generated from/(used in) investing activities was RMB2.5 million, which was mainly attributable to investment income from wealth management products and time deposits with banks, compared to RMB(12.3) million for the six months ended 30 June 2017.

Net cash generated from financing activities

For the six months ended 30 June 2018, net cash generated from financing activities was RMB2,500.5 million, mainly attributable to the proceeds from the initial public offering. There was no net cash generated from financing activities for the six months ended 30 June 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 acquisition of financial assets measured at fair value through other comprehensive income. The following table sets forth our capital expenditures and long-term investments for the periods indicated:

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	(in RMB'000)	
Payment for property, plant and equipment and intangible assets	**10,123**	3,484
Payment for investments	**92,572**	—
Total capital expenditures and long-term investments	**102,695**	3,484

Our capital expenditure during the six months ended 30 June 2018 primarily included expenditure for purchases of property, plant and equipment and acquisition of long-term investment and prepaid investment. We have invested an aggregate of approximately RMB92.6 million in different companies that have technologies or businesses that supplement and benefit our business (for the six months ended 30 June 2017: nil).

INDEBTEDNESS

We had no bank loans or convertible loans as of 30 June 2018 and as of 30 June 2017.

GEARING RATIO

The gearing ratio (calculated as total bank and other borrowings divided by total assets/capital) of the Company as at 30 June 2018 was 2.8% (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.

CONTINGENT LIABILITIES

As of 30 June 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 of the operations to which the transactions relate. The currencies giving rise to this risk are primarily US dollars. We have not hedged against any fluctuation in foreign currency. Our PRC subsidiaries and PRC operating entities all have RMB as their functional currency.

For the six months ended 30 June 2017 and 2018, we had foreign currency exchange gain/(loss) (both realized and unrealized) of RMB(10.4) million and RMB4.4 million respectively, recognized as net finance income/(cost) in the consolidated statement of profit or loss and other comprehensive income. The foreign currency exchange gain/(loss) for the six months ended 30 June 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 90 days from the date of billing. 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 30 June 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 its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

SIGNIFICANT INVESTMENTS HELD

In December 2017, Liedao Information Technology Co., Ltd. ("**Liedao**"), one of the entities the Company control through contractual arrangements, entered into an investment agreement with, among others, Unicareer (Shanghai) Education Technology Co., Ltd. ("**Unicareer**"), a PRC company engaging in the businesses of online and offline career training for students and employees, pursuant to which Liedao agreed to acquire certain registered capital in Unicareer from its existing shareholders for a total consideration of RMB18,980,000 and agreed to subscribe for additional registered capital in Unicareer for a total consideration of RMB36,000,000. The consideration payable in cash was fully settled on 25 January 2018 and the Company holds, through Liedao, approximately 9.9723% of the enlarged registered capital of Unicareer.

In January 2018, the Company has paid a cash deposit in the amount of RMB37,592,000 to MoSeeker, Inc. ("**MoSeeker**"), a Cayman Island company engaging in the development of recruitment platforms and social recruitment services, to purchase 14.59% of preferred shares of MoSeeker. As of 30 June 2018, the transaction has not closed yet, and the amount of deposit was recorded as prepaid investment.

PLEDGE OF ASSETS/CHARGE ON ASSETS

There was no pledge of the Group's assets as at 30 June 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposal of subsidiaries or associated companies during the six months ended 30 June 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. None of the net proceeds have been utilized for the six months ended 30 June 2018 and the Company plans to use the net proceeds in the manner consistent with that disclosed in the Prospectus under the section headed "Future Plans and Use of Proceeds".

During the six months ended 30 June 2018, the Group applied the net proceeds for the following purposes:

	Use of proceeds as stated in the Prospectus *(in HKD'000)* (approximate)	Actual use of proceeds during the six months ended 30 June 2018 *(in HKD'000)* (approximate)	Net proceeds unutilized during the six months ended 30 June 2018 *(in HKD'000)* (approximate)
40% for Enhancement of R&D capabilities and product offerings	1,121,840	—	1,121,840
25% for Pursue of acquisitions of or investments in assets and business and support our growth strategies	701,150	—	701,150
25% for Improvement and implementation our sales and marketing initiative to (i) expand our user and customer base and increase spending by our existing customers; and (ii) continued optimization of our online advertising and promotion activities marketing	701,150	—	701,150
10% for working capital and general corporate purposes	280,460	—	280,460
	2,804,600	—	2,804,600

As the shares of the Company were listed on the Hong Kong Stock Exchange on 29 June 2018, the Company confirms that none of the net proceeds from the initial public offering of the Company in the amount of approximately HKD2,804.6 million has been utilized for the six months ended 30 June 2018. For the unutilized net proceeds in the amount of approximately HKD2,804.6 million as at 30 June 2018, the Company intends to apply them in the same manner and proportion as stated in the Prospectus and proposes to use the unutilized net proceeds in accordance with the expected timeframe disclosed in the Prospectus.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 30 June 2018, the Group did not have other plans for material investments and capital assets.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as the Company is aware, as at 30 June 2018, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix 10 to the Listing Rules, were as follows:

Long positions in the Company's shares

Name of Director	Capacity/Nature of Interest	Total number of shares	Approximate Percentage of Shareholding (%)
Mr. Dai Kebin[(1)]	Interest of controlled corporation	290,608,889	58.64
Mr. Chen Xingmao[(2)]	Interest of controlled corporation	13,598,226	2.74

Notes:

(1) Mr. Dai Kebin holds 99% of the general partnership of, which also holds 0.26% of, Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership), which holds 32,764,955 shares in the Company. Mr. Dai Kebin's wholly-owned company, May Flower Information Technology Co., Limited ("**May Flower**"), holds 101,524,692 shares beneficially and 156,319,242 shares through the following voting proxies in the Company:

i. 49,555,946 shares of the Company (being 10% of the total issued shares of the Company) held by Matrix Partners China I, L.P. and Matrix Partners China I-A, L.P.;

ii. 49,555,946 shares of the Company (being 10% of the total issued shares of the Company) held by Giant Lilly Investment Ltd;

iii. 30,464,038 shares of the Company held by Tenzing Holdings 2011 Ltd.;

iv. 13,598,226 shares of the Company held by Xiaoying Information Technology Co., Limited;

v. 13,145,086 shares of the Company held by Wisest Holding Co., Limited.

(2) Mr. Chen Xingmao's wholly-owned company, Xiaoying Information Technology Co., Limited, beneficially holds 13,598,226 shares in the Company.

Long positions in underlying shares of the Company

Name of Director	Capacity/Nature of Interest	Number of underlying shares in respect of the share options granted	Percentage of underlying shares over the Company's issued share capital (%)
Mr. Dai Kebin	Beneficial owner	9,008,507	1.82
	Interest of spouse	2,112,145	0.43
Mr. Chen Xingmao	Beneficial owner	500,000	0.10
Ms. Xu Lili	Beneficial owner	4,339,184	0.88

Long positions in shares of associated corporations of the Company

Name of Director	Nature of Interest	Name of associated corporation	Number of securities held	Approximate percentage of shareholding interest of the associated corporation (%)
Mr. Dai Kebin	Beneficial owner	Wisest (Beijing) Management Consulting Co., Ltd.	7,073,760	17.80
	Other(1)	Wisest (Beijing) Management Consulting Co., Ltd.	3,902,580	9.82
	Beneficial owner	May Flower Information Technology Co., Limited	1	100
Mr. Chen Xingmao	Beneficial owner	Wisest (Beijing) Management Consulting Co., Ltd.	947,460	2.38

Notes:

(1) Mr. Dai Kebin together with the general partner/limited partner were granted control of all management and executive functions of several entities, which in turn together own 3,902,580 shares in Wisest (Beijing) Management Consulting Co., Ltd. ("**Wisest**"). Mr. Dai Kebin is deemed to be interested in such 3,902,580 shares in Wisest held by such entities.

Save as disclosed above, as at 30 June 2018, none of the directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to notify to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix 10 to the Listing Rules, to notify to the Company and the Hong Kong Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2018, to the best of the knowledge of the Company and the directors, the followings are the persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Interests in the shares and underlying shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Total number of shares	Approximate Percentage of Shareholding Interest (%)
Ms. Song Yueting	Beneficial owner	2,112,145 (long position)	0.43
	Interest of Spouse	299,617,396 (long position)	60.46
May Flower Information Technology Co., Limited[(1)]	Beneficial owner	257,843,934 (long position)	52.03
		13,200,000 (short position)	2.66
Tenzing Holdings 2011 Ltd.[(2)]	Beneficial owner	30,464,038 (long position)	6.15
Tenzing Holdings, LLC	Interest of controlled corporation	30,464,038 (long position)	6.15
South Dakota Trust Company LLC	Trustee	30,464,038 (long position)	6.15

Name of Shareholder	Capacity/Nature of Interest	Total number of shares	Approximate Percentage of Shareholding Interest (%)
Matrix Partners China I-A, L.P.	Beneficial owner	9,181,981 (long position)	1.85
Matrix Partners China I, L.P.	Beneficial owner	90,622,158 (long position)	18.29
		6,600,000 (short position)	1.33
Matrix China Management I, L.P.[(3)]	Interest of controlled corporation	99,804,139 (long position)	20.14
		6,600,000 (short position)	1.33
Matrix China I GP GP, Ltd.	Interest of controlled corporation	99,804,139 (long position)	20.14
		6,600,000 (short position)	1.33
JPMorgan Chase & Co.	Interest of controlled corporation	19,120,712 (long position)	3.86
		13,200,000 (short position)	2.66
		5,920,712 (lending pool)	1.20
Giant Lilly Investment Ltd[(4)]	Beneficial owner	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33
Warburg Pincus Private Equity XI, L.P.	Interest of controlled corporation	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33

Name of Shareholder	Capacity/Nature of Interest	Total number of shares	Approximate Percentage of Shareholding Interest (%)
Warburg Pincus XI, L.P.	Interest of controlled corporation	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33
WP Global LLC	Interest of controlled corporation	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33
Warburg Pincus Partners II, L.P.	Interest of controlled corporation	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33
Warburg Pincus Partners GP LLC	Interest of controlled corporation	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33
Warburg Pincus & Co.	Interest of controlled corporation	97,370,133 (long position)	19.65
		6,600,000 (short position)	1.33
Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership)(5)	Beneficial owner	32,764,955 (long position)	6.61
Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd.	Interest of controlled corporation	32,764,955 (long position)	6.61

Notes:

(1) May Flower beneficially holds 101,524,692 shares of the Company. May Flower is under an obligation to deliver the shares to Morgan Stanley & Co. International PLC pursuant to the stock borrowing agreement entered into prior to 29 June 2018. Therefore, May Flower holds 13,200,000 shares in short position. May Flower was granted the following voting proxies over the ordinary shares of the Company, which in aggregate amount to 156,319,242 shares out of the 257,843,934 shares in the Company:

i. 49,555,946 shares of the Company (being 10% of the total issued shares of the Company) held by Matrix Partners China I, L.P. and Matrix Partners China I-A, L.P.;

ii. 49,555,946 shares of the Company (being 10% of the total issued shares of the Company) held by Giant Lilly Investment Ltd;

iii. 30,464,038 shares of the Company held by Tenzing Holdings 2011 Ltd.;

iv. 13,598,226 shares of the Company held by Xiaoying Information Technology Co., Limited;

v. 13,145,086 shares of the Company held by Wisest Holding Co., Limited.

(2) The entire issued share capital of Tenzing Holdings 2011 Ltd. is held by Tenzing Holdings LLC, which is in turn held in the entirety by South Dakota Trust Company LLC, the trustee of Tenzing Trust. Tenzing Trust is a discretionary, irrevocable, non-grantor trust established by Mr. Shao Yibo, a non-executive Director, as settlor, and the discretionary beneficiaries are Mr. Shao Yibo's immediate family members and other non-profit organizations which are independent third parties.

(3) The general partner of Matrix Partners China I, L.P. and Matrix Partners China I-A, L.P. is Matrix China Management I, L.P., the general partner of which is Matrix China I GP GP, Ltd.

(4) The entire interest of Giant Lilly Investment Ltd is held as to 60.47% by Warburg Pincus Private Equity XI, L.P., 22.06% by Warburg Pincus XI (Asia), L.P. and 11.20 % by Warburg Pincus Private Equity XI-B, L.P. and 6.27% by other minority shareholders. The general partner of Warburg Pincus Private Equity XI, L.P. is Warburg Pincus XI, L.P, the general partner of which is WP Global LLC. The managing member of WP Global LLC is Warburg Pincus Partners II, L.P., the general partner of which is Warburg Pincus Partners GP LLC, and the managing member of which is Warburg Pincus & Co..

(5) The general partner of Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership) is Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd., which is in turn 99% held by Mr. Dai Kebin. Therefore Mr. Dai Kebin and Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. are deemed to be interested in the shares held by Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership).

Save as disclosed above, as at 30 June 2018, the directors and the chief executives of the Company were not aware of any other person (other than the directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above or otherwise disclosed in this interim report, at no time during the Reporting Period and up to the date of this interim report was the Company or any of its subsidiaries, a party to any arrangement that would enable the directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

STAFF, REMUNERATION POLICY

As at 30 June 2018, we had 3,237 employees (as at 31 December 2017: 2,791 employees). We adopt a merit-based compensation system for our sales team, which incentivizes our sales team to deliver superior performances. The compensation for our sales personnel includes salaries and merit-based incentives that are based on a set of performance indicators, such as total revenue generated and number of unique customer accounts acquired and retained, to provide incentives for our sales team to deliver excellent performance. We provide regular in-house and external education and training to our sales team to improve their sales skills, industry knowledge and understanding of our products and services. Our Group's remuneration policies are reviewed regularly.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

The pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") was approved and adopted by the Board on 30 March 2018 to replace the former share option plan as a result of the reorganization arrangements undertaken by the Group in preparation of the listing of the shares of the Company on the Hong Kong Stock Exchange. The options granted under the former share option plan were substituted by options under the Pre-IPO Share Option Scheme with effect from their original dates of grant. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Option Scheme will not involve the grant of options by the Company to subscribe for shares after listing.

The purpose of the Pre-IPO Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group, in particular, (i) to motivate them to optimize their performance and efficiency for the benefit of our Group; (ii) to attract and retain them whose contributions are or will be beneficial to our Group; and (iii) to encourage them to enhance cooperation and communication amongst team members for the growth of our Group. Eligible persons include (a) any full-time executives, officers, managers or employees of our Group (including entities that the Group control through a series of contractual arrangements which comprise of Wisest (Beijing) Management Consulting Co., Ltd., TD Elite (Tianjin) Information Technology Co., Limited and Liedao Information Technology Co., Ltd.), or any entities designated by them, who had attained the requisite seniority and performance grade and/or targets as may be determined by the Board from time to time; (b) any Directors, directors of members of our Group, or any entities designated by them; and (c) any advisor, consultant, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner, service provider or other third parties who the Board considers, in its sole discretion, has contributed or will contribute to the Group. The participant may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Pre-IPO Share Option Scheme can be exercised.

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Share Option Scheme at any time shall not exceed 42,865,895 shares, which represents approximately 8.65% of the total issued share capital of the Company as at 30 June 2018. The exercise price in respect of any option shall be such amount as may be determined by the Board from time to time and set out in the notice of offer. The options which have been granted shall be vested in accordance with the periods as may be determined by the Board and as set out in the notice of offer. Provided that the conditions of exercise are satisfied, after the date that is six months after the listing date of the Company, namely 29 June 2018 (the "**Listing Date**"), the options shall be vested and exercisable by the grantees as set out in the notice of offer.

Options to subscribe for 37,715,511 shares of the Company, representing approximately 7.61% of the total issued share capital of the Company were outstanding as at 30 June 2018. As at 30 June 2018, none of the options granted under the Pre-IPO Share Option Scheme has been exercised. No further options will be granted under the Pre-IPO Share Option Scheme after the Listing Date.

An option may be exercised in accordance with the terms of the Pre-IPO Share Option Scheme at any time during a period as determined by delivering to our Company an executed stock option exercise notice in such form as may be approved by the Board, setting out, among others, the number of shares being purchased and the selling price of the shares. Before the options may be exercised, the Company shall have a right of first refusal to buyback the options by giving written notice to the grantee to buyback the options at a price to be determined by the Board with reference to the market value of the shares of the Company at the time when such options are exercised. The Company may exercise the right of first refusal at any time within two business days after the receipt of the executed stock option exercise notice.

Details of movements in the options granted under the Pre-IPO Share Option Scheme during the six months ended 30 June 2018 are as follows:

		Number of Share Options							
Category and Name of grantee	Date of grant of share options	Out-standing as at 1 January 2018	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Out-standing as at 30 June 2018	Exercise period of share options	Exercise price of share options	Weighted average price of the Company's shares
Executive Directors									
Mr. Dai Kebin	1 July 2014	9,008,507	—	—	—	9,008,507	1 July 2014 to 30 June 2024	US$0.0268	—
Mr. Chen Xingmao	1 July 2014	500,000	—	—	—	500,000	1 July 2014 to 30 June 2024	US$0.0268	—
Ms. Xu Lili	1 February 2014	3,339,184	—	—	—	3,339,184	1 February 2014 to 31 January 2024	US$0.0268	—
	10 June 2018	—	1,000,000	—	—	1,000,000	10 June 2018 to 9 June 2028	USD2.50	
In aggregate		13,847,691	—	—	—	13,847,691			
Employees of the Group									
In aggregate	January 2012 to June 2018	14,345,075*	9,522,745	—	—	23,867,820	January 2022 to June 2028	US$0.0268 to US$2.50	
Total		28,192,766				37,715,511			

* The share options granted on 1 January 2018 have been included.

Post-IPO Share Option Scheme

The post-IPO share option scheme (the "**Post-IPO Share Option Scheme**") was adopted by the resolutions of our shareholders passed at an extraordinary general meeting held on 9 June 2018. The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in our Company and to encourage selected participants to work towards enhancing the value of our Company and its shares for the benefit of the Company and the shareholders as a whole.

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years commencing on the Listing Date (after which no further options shall be offered or granted under the Post-IPO Share Option Scheme), but in all other respects the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO Share Option Scheme. As at 30 June 2018, the remaining life of the Post-IPO Share Option Scheme is around 10 years.

The total number of shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme is 49,555,946, being no more than 10% of the shares in issue on the Listing Date (the "**Option Scheme Mandate Limit**") (excluding any shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme). Options which have been lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of our Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the shares in issue from time to time (the "**Option Scheme Limit**"). As at 30 June 2018, no share option under the Post-IPO Share Option Scheme has been granted.

Unless approved by our shareholders, the total number of shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue (the "**Individual Limit**"). Any further grant of options to a selected participant which would result in the aggregate number of shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, canceled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of our Shareholders (with such selected participant and his associates abstaining from voting).

The subscription price in the event of the share options being exercised shall be determined by the Board and shall be not less than the greater of: (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Hong Kong Stock Exchange on the date of grant of the share options; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant of the share options; and (iii) the nominal value of a share on the date of grant of the share options.

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine, and in any event, must not be more than 10 years from the date of a grant of the share options. The grant offer letter pursuant to which the option is to be granted may include terms such as any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the grant offer letter comprising acceptance of the offer duly signed by the grantee with the number of shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof delivered to the Company. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that selected participant, it shall be deemed to have been irrevocably declined.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the six months ended 30 June 2018.

CHANGE IN DIRECTOR'S BIOGRAPHICAL DETAILS UNDER RULE 13.51(B) OF THE LISTING RULES

Since 19 June 2018 (the date of the Prospectus), there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 of the Listing Rules and has complied with the code provisions under the CG Code during the six months ended 30 June 2018 except for the following deviation.

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

The Company has adopted the Model Code as set out in Appendix 10 of 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 six months ended 30 June 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.

AUDIT COMMITTEE

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 has discussed matters in relation to internal control and risk management systems and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended 30 June 2018. The Audit Committee has reviewed and considered that the unaudited condensed consolidated interim financial results for the six months ended 30 June 2018 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

KPMG, the Group's independent auditor, had also reviewed the Group's unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The over-allotment option described in the Prospectus was partially exercised by Morgan Stanley Asia Limited, the stabilization manager, on 21 July 2018, in respect of an aggregate of 286,400 shares, representing approximately 0.33% of the total number of the offer shares initially available under the initial public offering. The two over-allotment option grantors, namely Giant Lilly Investment Ltd and Matrix Partners China I, L.P., each sold 143,200 shares pursuant to such partial exercise of the over-allotment option.

Apart from the abovementioned partial exercise of the over-allotment option, there were no important events affecting the Company nor any of its subsidiaries since the end of the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2018 to the shareholders of the Company.

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

The PRC, 20 August 2018

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Review report to the board of directors of
Wise Talent Information Technology Co., Ltd.
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 35 to 62 which comprises the consolidated statement of financial position of Wise Talent Information Technology Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") as of 30 June 2018 and the related consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of changes in equity and the consolidated cash flow statement for the six months period ended 30 June 2018 and explanatory notes. The Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim financial reporting, issued by International Accounting Standards Board ("**IASB**"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagement 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

OTHER MATTER

Without modifying our review conclusion, we draw your attention that the comparative consolidated statement of profit or loss and other comprehensive income and the comparative consolidated statement of changes in equity and the consolidated cash flow statement for the six months ended 30 June 2017 and related notes disclosed in the interim financial report have not been reviewed in accordance with Hong Kong Standard on Review Engagement 2410.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

20 August 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018 — unaudited

	Note	Six months ended 30 June 2018 RMB'000	2017 RMB'000
Revenue	4	**578,894**	372,708
Cost of revenue		**(94,896)**	(56,784)
Gross profit		**483,998**	315,924
Other income	5	**5,623**	4,038
Sales and marketing expenses		**(333,940)**	(235,603)
General and administrative expenses		**(107,576)**	(42,524)
Research and development expenses		**(53,121)**	(43,578)
Loss from operations		**(5,016)**	(1,743)
Net finance income/(cost)	7	**10,118**	(8,051)
Profit/(loss) before taxation	6	**5,102**	(9,794)
Income tax	8	**(327)**	—
Profit/(loss) for the period and total comprehensive income		**4,775**	(9,794)
Total comprehensive income attributable to:			
Equity owners of the Company		**2,947**	(9,126)
Non-controlling interests		**1,828**	(668)
		4,775	(9,794)
Earnings per share	9		
Basic		**RMB0.0072**	RMB(0.0227)
Diluted		**RMB0.0067**	RMB(0.0227)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018 — unaudited

	Note	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Non-current assets			
Property, plant and equipment	10	26,938	22,614
Investment properties	10	28,580	29,096
Intangible assets		7,867	8,605
Long-term investment	11	53,324	—
Prepaid investment	12	37,592	—
Financial assets measured at fair value through other comprehensive income		7,700	—
Available-for-sale financial assets		—	6,200
Other non-current assets		3,860	3,360
Financial assets measured at fair value through profit and loss	11	2,089	—
		167,950	69,875
Current assets			
Trade receivables	13	56,216	18,462
Prepayments and other receivables	14	32,452	19,495
Receivables from related parties		—	2,000
Receivables from a shareholder	18(d)	—	62,638
Other current assets		24,453	120,010
Time deposits with banks		403,613	398,586
Cash and cash equivalents	15	2,872,651	251,345
		3,389,385	872,536
Current liabilities			
Trade and other payables	16	208,957	108,215
Deferred revenue	17	—	443,790
Contract liabilities	17	556,714	—
Payables due to a related party	21(ii)/(iii)	99,249	2,004
		864,920	554,009
Net current assets		2,524,465	318,527
Total assets less current liabilities		2,692,415	388,402
NET ASSETS		2,692,415	388,402

The accompanying notes form part of these financial statements.

	Note	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
CAPITAL AND RESERVES			
Share capital	18	**322**	31,785
Reserves	18	**2,686,448**	352,800
Total equity attributable to equity owners of the Company		**2,686,770**	384,585
Non-controlling interests		**5,645**	3,817
TOTAL EQUITY		**2,692,415**	388,402

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018 — unaudited

		Attributable to equity owners of the Company					
	Note	Share capital *RMB'000*	Capital reserve *RMB'000*	(Accumulated losses)/ Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
Balance at 1 January 2017		2,375	789,014	(727,254)	64,135	(49)	64,086
Changes in equity for six months ended 30 June 2017:							
Loss for the period		—	—	(9,126)	(9,126)	(668)	(9,794)
Total comprehensive income		—	—	(9,126)	(9,126)	(668)	(9,794)
Capitalization upon conversion of a subsidiary of the Company into a joint stock Company	18(a)(ii)	27,625	(747,758)	720,133	—	—	—
Conversion of convertible loans into capital	18(a)(i)	1,785	300,552	—	302,337	—	302,337
Share-based compensation expenses		—	4,707	—	4,707	—	4,707
Balance at 30 June 2017 and 1 July 2017		31,785	346,515	(16,247)	362,053	(717)	361,336
Changes in equity for six months ended 31 December 2017:							
Profit for the period		—	—	18,124	18,124	(779)	17,345
Total comprehensive income		—	—	18,124	18,124	(779)	17,345
Capital injection from non-controlling owners		—	—	—	—	5,313	5,313
Share-based compensation expenses		—	4,408	—	4,408	—	4,408
Balance at 31 December 2017		31,785	350,923	1,877	384,585	3,817	388,402

The accompanying notes form part of these financial statements.

For the six months ended 30 June 2018 — unaudited

		Attributable to equity owners of the Company						
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
Balance at 1 January 2018		31,785	—	350,923	1,877	384,585	3,817	388,402
Changes in equity for six months ended 30 June 2018:								
Profit for the period		—	—	—	2,947	2,947	1,828	4,775
Total comprehensive income		—	—	—	2,947	2,947	1,828	4,775
Repurchase of own shares	18(d)	(402)	—	(78,743)	—	(79,145)	—	(79,145)
Group reorganization	18(a)(iii)	(31,383)	—	(1,024,595)	—	(1,055,978)	—	(1,055,978)
Capitalization issuance	18(a)(iv)/ 18(b)	263	1,055,608	—	—	1,055,871	—	1,055,871
Issuance of shares for the initial public offering ("IPO"), net of issuance cost	18(a)(v)/ 18(b)	59	2,362,694	—	—	2,362,753	—	2,362,753
Share-based compensation expenses		—	—	15,737	—	15,737	—	15,737
Balance at 30 June 2018		322	3,418,302	(736,678)	4,824	2,686,770	5,645	2,692,415

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018 — unaudited

		Six months ended 30 June	
		2018	2017
	Note	RMB'000	RMB'000
Operating activities			
Cash generated from operations		117,211	23,549
Net cash generated from operating activities		117,211	23,549
Investing activities			
Proceeds from sale of property, plant and equipment		136	12
Investment income from wealth management products received		1,419	1,114
Proceeds from maturity of wealth management products		240,000	180,000
Proceeds from maturity of time deposits with banks		240,572	413,114
Payment for the purchase of property, plant and equipment, and intangible assets		(10,123)	(3,484)
Payment for investments	11/12	(92,572)	—
Payment for the purchase of wealth management products		(140,000)	(190,000)
Placement of time deposits with banks		(236,932)	(413,062)
Net cash generated from/(used in) investing activities		2,500	(12,306)
Financing activities			
Capital injection from owners		2,364,546	—
Proceeds from bank loans and related-party loans		352,765	—
Payment for repurchase of own shares	18(d)	(16,507)	—
Repayment of bank loans and related-party loans		(192,758)	—
Payment for interest		(668)	—
Payment for group restructuring		(106)	—
Payment for issuance cost		(6,806)	—
Net cash generated from financing activities		2,500,466	—
Net increase in cash and cash equivalents		2,620,177	11,243
Cash and cash equivalents at 1 January		251,345	128,986
Effect of foreign exchange rate changes		1,129	(771)
Cash and cash equivalents at 30 June		2,872,651	139,458

The accompanying notes form part of these financial statements.

1 CORPORATION INFORMATION

Wise Talent Information Technology Co., Ltd. (the "**Company**") was established in the Cayman Islands on 30 January 2018 as an exempted company with limited liability under the Companies Law (2013 Revision) (as consolidated and revised) of the Cayman Islands. The Company was listed on the Main Board of Hong Kong Stock Exchange on 29 June 2018. The registered office address of the Company is P.O. Box 309 Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in talent services.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim financial reporting, issued by the International Accounting Standards Board ("**IASB**"). It was authorized for issue on 20 August 2018.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 combined financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the combined financial statements for the year ended 31 December 2017. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagement 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

2 BASIS OF PREPARATION (Continued)

The financial information relating to the financial year ended 31 December 2017 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. In preparing the interim financial report, the Group has adopted IFRS 9 Financial Instruments ("**IFRS 9**") and IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**").

3.1 Financial assets

3.1.1 Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and

- Those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.1 Financial assets (Continued)

3.1.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

— *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the consolidated income statements. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.1 Financial assets (Continued)

3.1.2 Measurement (Continued)

— *Equity instruments* (Continued)

In thousands of RMB	*Note*	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets:					
Financial assets measured at fair value through other comprehensive income	(a)	Available-for-sale	FVOCI – equity instrument	6,200	6,200
Investment in wealth management products	(b)	Available-for-sale	Mandatorily at FVTPL	100,000	100,000
Trade receivables	(c)	Loans and receivables	Amortized cost	18,462	18,462
Cash and cash equivalents		Loans and receivable	Amortized cost	251,345	251,345
Total financial assets				376,007	376,007

Notes:

(a) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(b) As permitted by IFRS 9, the Group has designated these investment in wealth management products at the date of initial application as measured at FVTPL.

(c) Trade receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. The application of the expected credit loss model has no material impact on its consolidated financial information.

3.1.3 Impairment

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and etc.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.1 Financial assets (Continued)

3.1.3 Impairment (Continued)

Under IFRS 9, loss allowances are measured on either of the following bases:

— *12-month ECLs*: these are ECLs that result from possible default events within the 12 months after the reporting date; and

— *lifetime ECLs*: these are ECLs that result from all possible default events over the expected life of a financial instrument.

— The Group measures loss allowances at an amount equal to lifetime ECLs.

— The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs.

— When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

— The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or

— The financial asset is more than 60 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.1 Financial assets (Continued)

3.1.3 Impairment (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables are presented separately in the statement of profit or loss and OCI.

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 has no material impact on the retained earnings and other comprehensive income and consequently no adjustment has been made to the comparative figures.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.1 Financial assets (Continued)

3.1.4 Transition

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

The Group has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

The determination of the business model within which a financial asset is held.

The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

The designation of certain investments in equity instruments not held for trading as at FVOCI.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.2 Revenue recognition

The Group generates revenue from providing a variety of talent services to business customers (including head hunters) and individual paying users.

Revenue is recognized when the customer obtains control of the promised service in the contract.

(i) Revenue from services

Talent acquisition services provided to business customers

— *Subscription-based model:*

Under subscription-based model, the Group provides to the business customers a customized package of services, such services including job posting, CV search, 360-degree CV downloading, intent communications with job candidates, invitations to apply for jobs, top display of job postings, etc. Such service agreement normally has a term of one year.

The subscription fee varies based on the type and quantity of services agreed with the business customers. The Group normally receives all of the subscription fee upfront, such amount is non-refundable and recognized as contract liabilities as a current liability. As the adoption of IFRS15 from 1 January 2018, the deferred revenue was recognized as contract liabilities.

Under the subscription-based model, the service can be divided into two categories: 1) consumption based such as 360-degree CV downloading, intent communications with job candidates, invitations to apply for jobs, etc. and 2) time-based services such as top display of job posting and access to the platform, etc.

Each service is a performance obligation. At contract inception, the transaction price is generally allocated to each performance obligation on the basis of relative stand-alone selling price. The revenue from the consumption-based service is recognized upon the consumption of the individual service. The service that is not consumed within the contract period is recognized as revenue upon the expiry of the contract when the Group has no future obligation. The revenue from the time-based service is recognized on a straight-line basis over the contract period.

3 CHANGES IN ACCOUNTING POLICIES (Continued)

3.2 Revenue recognition (Continued)

(i) Revenue from services (Continued)

— *Transaction-based models:*

The Group provides to the business customers' transaction based services such as closed-loop services leading up to candidate interview (Interview Express) or closed-loop services related to onboarding (Onboarding Express) and other project based services.

The revenue from transaction-based services is recognized when the service performance is accepted by the customer.

Professional career services provided to individual users

— *Professional career services:*

These services are provided to individual paying users for premium membership services or CV advisory services. The revenue is recognized on a straight-line basis over the contract period for the time-based membership service or upon the performance of the service of transaction-based service such as CV advisory services.

The Group has initially applied IFRS 15 using the cumulative effect method, the comparative information is not restated. And the adoption of IFRS 15 has no material impact on the Group's timing of revenue recognition.

3.3 HK (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 recognizing the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK (IFRIC)22 does not have any material impact on the financial position and the financial result of the Group.

4 REVENUE

(a) The principal activities of the Group are providing a variety of talent services to business customers and individual users.

The amount of each significant category of revenue is as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Service revenue	**577,718**	372,169
Rental income	**1,176**	539
	578,894	372,708

The Group's customer base is diversified. There was no customer with whom transactions have exceeded 10% of the Group's revenue during the six months ended 30 June 2017 and 2018.

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

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

Accordingly, no geographic information of revenue, non-current assets and customers is presented.

(b) Disaggregation of revenue

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

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Talent acquisition services to business customers	**544,077**	363,047
Professional career services to individual users	**33,641**	9,122
Rental income	**1,176**	539
	578,894	372,708

5 OTHER INCOME

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Investment income from wealth management products	**1,419**	1,114
Investment income from long-term investment	**433**	—
Government grant	**2,900**	2,100
Others	**871**	824
	5,623	4,038

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before tax is arrived at after charging:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Staff cost	**362,564**	237,253
Depreciation of property, plant and equipment and investment properties	**5,973**	6,510
Amortization of intangible assets	**976**	1,136
Impairment losses of trade receivables	**2,550**	2,579
Operating lease charge	**22,989**	19,630
Issuance cost	**42,645**	—

7 NET FINANCE INCOME/(COST)

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Loss on fair value changes of convertible loans	**—**	(1,502)
Interest expenses on bank loans and other borrowings	**(1,021)**	—
Interest income from bank deposits	**7,179**	4,037
Foreign currency exchange gain/(loss)	**4,387**	(10,406)
Bank charges and other finance costs	**(427)**	(180)
	10,118	(8,051)

8 INCOME TAX

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Current tax and deferred tax	**327**	—

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Hong Kong profits tax rate during the six months ended 30 June 2018 is 16.5%.

In accordance with the Enterprise Income Tax Law ("**Income Tax Law**") of the PRC, enterprise income tax rate for the Group's PRC subsidiary during the six months ended 30 June 2018 is 25% (2017: 25%).

9 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 parent of RMB2,947 thousand (six months ended 30 June 2017: the loss of RMB9,126 thousand) and the weighted average of 408,048,353 ordinary shares (2017: 402,514,984) issued during the interim period.

The weighted average number of shares in six months ended 30 June 2018 was based on the assumption that the 407,559,464 shares were issued before the listing of shares on the Hong Kong Stock Exchange, as if such shares had been outstanding throughout the six months ended 30 June 2018.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of RMB2,947 thousand (six months ended 30 June 2017: the loss of RMB9,126 thousand) and the weighted average number of ordinary shares of 442,487,518 (2017: 402,514,984).

10 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2017 and 2018, the Group acquired items of office equipment and others with a cost of RMB2,716 thousand and RMB9,583 thousand respectively. Items of office equipment and others with a net book value of RMB59 thousand and RMB66 thousand were disposed of during the six months ended 30 June 2017 and 2018 resulting in a loss on disposal of RMB48 thousand and RMB23 thousand, respectively.

The Group leases the building under a leasehold interest to earn rental income from April 2017. Therefore the building is reclassified to investment properties in April 2017.

11 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

In December 2017, Liedao Information Technology Co., Ltd. ("**Liedao**") entered into an investment agreement with, among others, Unicareer (Shanghai) Education Technology Co., Ltd. ("**Unicareer**"), pursuant to which Liedao agreed to acquire certain registered capital in Unicareer from its existing shareholders for a total consideration of RMB18,980 thousand and agreed to subscribe for additional registered capital in Unicareer for a total consideration of RMB36,000 thousand. Unicareer is a company incorporated in the PRC and principally engaged in the businesses of online and offline career training for students and employees. The Group satisfied the consideration payable for the acquisition of Unicareer in cash, which had been fully settled on 25 January 2018. As a result of the acquisition of Unicareer, the Company holds, through Liedao, approximately 9.9723% of the enlarged registered capital of Unicareer.

Liedao had the right to appoint one director to the board of directors of Unicareer. The investment in Unicareer was accounted for under equity method as the Company is able to exercise significant influence through its board seat.

Liedao also has the preferred redemption right contracted in the investment agreement which is recognized as financial assets measured at fair value through profit and loss.

12 PREPAID INVESTMENT

In December 2017, the Company entered into an investment proposal agreement with MoSeeker, Inc. ("**MoSeeker**") to purchase 14.59% of preferred shares of MoSeeker. In January 2018, the Company has paid a cash deposit in the amount of RMB37,592 thousand to MoSeeker. As of 30 June 2018, the transaction has not closed yet, and the amount of deposit was recorded as prepaid investment.

13 TRADE RECEIVABLES

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Trade receivables	65,904	25,600
Less: allowance for doubtful debts	(9,688)	(7,138)
	56,216	18,462

(a) Ageing analysis

As at 31 December 2017 and 30 June 2018, the ageing analysis of trade debtors based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Within 60 days	47,224	17,513
60 days to 1 year	8,023	949
Over 1 year	969	—
	56,216	18,462

14 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Prepayments to suppliers	13,649	12,273
Other receivables	10,421	3,510
Interest receivable	8,382	3,712
	32,452	19,495

15 CASH AND CASH EQUIVALENTS

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Cash at bank	2,872,649	251,234
Cash on hand	2	111
Cash and cash equivalents	2,872,651	251,345

16 TRADE AND OTHER PAYABLES

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Trade payables to third parties	26,888	16,047
Salary and welfare payable	55,157	68,536
Other tax payables	14,240	12,967
Other payables	112,672	10,665
	208,957	108,215

The other payables mainly included the payables of unsettled issuance cost of RMB37,433 thousand and payables to Sparkle Day Investments Limited of RMB66,166 thousand. The Company borrowed RMB66,166 thousand (equivalent to US$10,000 thousand) from Sparkle Day Investments Limited for the restructuring of the Group for the Company's IPO, and the amount was fully settled on 2 July 2018.

(a) Ageing analysis

As at 31 December 2017 and 30 June 2018, the ageing analysis of trade payables to third parties, based on the invoice date, is as follows:

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Within 30 days	26,548	14,184
30 days to 1 year	340	1,863
	26,888	16,047

17 CONTRACT LIABILITIES/DEFERRED REVENUE

Contract liabilities/deferred revenue mainly represents service fees prepaid by customers for the talent services for which the related services had not been rendered as at 30 June 2018 and 2017, respectively.

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

(i) Conversion of convertible loans into capital

In 2016, Shenzhen Huatai Ruilin Fund Investment Management Partnership (Limited Partnership), Shanghai Chuangji Investment Centre Partnership (Limited Partnership) and China Mobile Innovation Industry Fund (Shenzhen) Partnership (Limited Partnership) converted the loans to equity of Wisest (Beijing) Management Consulting Co., Ltd. (the "**Wisest**"), which included share capital of RMB119 thousand, and capital reserve of RMB260,983 thousand.

In 2017, Shanghai Chuangji Investment Centre Partnership (Limited Partnership) converted the loans to shares of the Group, which included share capital of RMB190 thousand, and capital reserve of RMB33,493 thousand.

In 2017, Ningbo Xinshi Online Finance Equity Investment Partnership (Limited Partnership), Shanghai Weiyi Investment Management Centre (Limited Partnership), Beijing Tianshi Kaiyuan I Investment Fund Management Centre (Limited Partnership), Tianhong Innovative Asset Management Co., Ltd. and Tibet Lingsheng Asset Investment Management Co., Ltd. converted the loans to shares of the Group, which included share capital of RMB1,595 thousand, and capital reserve of RMB267,059 thousand.

(ii) Capitalization upon conversion of Wisest into a joint stock company

On 11 April 2017, Wisest was converted into a joint stock company with limited liability by converting total equity as at 31 December 2016 into 30,000,000 ordinary shares of nominal value of RMB1.00 each. Excess of total equity of Wisest over the nominal value of total issued share capital has been recognized as "capital reserve" in the consolidated statement of financial position.

(iii) Group reorganization

The amount arose from the acquisition of equity interest in the Wisest by TD Elite (HK) Information Technology Co., Ltd. during the group reorganization.

(iv) Capitalization issuance

During the six months ended 30 June 2018, the directors were authorized to allot and issue a total of 407,559,464 shares, with RMB263 thousand and RMB1,055,608 thousand recorded in share capital and share premium, respectively.

18 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(a) Share capital (Continued)

(v) Issuance of shares for the initial public offering ("IPO")

On 29 June 2018, 88,000 thousand new shares were issued by way of initial public offering. The proceeds less the issuance costs directly attributable to the issue of shares, amount to HK$2,802,457 thousand (equivalent to RMB2,362,753 thousand), with HK$69 thousand (equivalent to RMB59 thousand) and HK$2,802,388 thousand (equivalent to RMB2,362,694 thousand) recorded in share capital and share premium, respectively.

(b) Reserves

Share premium

Share premium represented the difference between the share capital and the amount of the net proceeds received from its shareholders of the Company. The application of the share premium is governed by the Companies Law of the Cayman Islands.

(c) Dividends

During the six months ended 30 June 2017 and 2018, no dividends were declared by the entities comprising the Group to its owners.

(d) Purchase of own shares

During the six months ended 30 June 2018, the Company repurchased the shares held by Ningbo Xinshi Online Finance Equity Investment Partnership (Limited Partnership) and Tibet Lingsheng Asset Investment Management Co., Ltd. in the amount of RMB72,645 thousand and RMB6,500 thousand, respectively, representing 1.2% and 0.1% of shares, respectively. The shares of Ningbo Xinshi Online Finance Equity Investment Partnership (Limited Partnership) were repurchased by settling the balance of Receivables from a shareholder of RMB62,638 thousand as at 31 December 2017.

(e) Equity settled share-based transactions

The Group has a share option scheme which was adopted on 1 January 2012 whereby the directors of the Group are authorized, at their discretion, to invite employees of the Group, to take up options to subscribe for shares of the Group (11,284,963 share options were granted during the six months ended 30 June 2018). The options vest after one to four years from the date of grant and are then exercisable within a period of ten years. The options granted to certain employees are only exercisable upon the completion of Company's IPO, which was completed in 29 June 2018. The exercise price is USD0.075 at 30 June 2018, being the weighted average closing price of the Company's ordinary shares immediately before the grant.

No options were exercised during the six months ended 30 June 2018 (2017: nil).

19 FAIR VALUES MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

— level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

— level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

— level 3: Unobservable inputs for the asset or liability.

The fair value measurements of the Group's investments in wealth management products are categorized into Level 2, financial assets measured at fair value through other comprehensive income are categorized into Level 3 in the fair value hierarchy.

During the six months ended 30 June 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Investments in wealth management products are measured at fair values in the consolidated statement of financial position. The Group benchmarks the costs against fair values of comparable investments as of the end of each reporting period, and categorized all fair value measures of bank financial products as Level 2 of the fair value hierarchy because they are valued using directly or indirectly observable inputs in the market place.

The Group applied the income approach/discounted cash flow method to estimate the fair value of financial assets measured at fair value through other comprehensive income. The significant unobservable input adopted in the valuation of the financial assets measured at fair value through other comprehensive income is weighted average cost of capital (WACC) of the companies that the Group has equity investments.

19 FAIR VALUES MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Financial assets measured at fair value through other comprehensive income:		
At 1 January	**6,200**	11,500
Addition	**1,500**	—
Disposal	**—**	(1,500)
Impairment	**—**	(500)
At 30 June	**7,700**	9,500

20 COMMITMENTS

As at 31 December 2017 and 30 June 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2018	At 31 December 2017
	RMB'000	*RMB'000*
Within 1 year	**42,472**	31,361
After 1 year but within 5 years	**91,057**	70,454
	133,529	101,815

The Group leases a number of office premises under operating leases. The leases typically run for an initial period of 1 to 5 years, with an option to renew the leases after that date. Lease payments are usually increased every year to reflect market rentals. None of the leases includes contingent rentals.

21 MATERIAL RELATED PARTY TRANSACTIONS

The related parties of the Company and its subsidiaries that had transactions with the Company and its subsidiaries are as follows:

Names of related parties	**Nature of relationship**
Dai Kebin 戴科彬	Executive director, and the ultimate controlling party
Giant Lilly	Shareholder of the Company

Prior to 5 February 2018, Wisest Information Technology Co., Ltd. (Cayman) was controlled by an executive director of the Company. On 5 February 2018, the shares of Wisest Information Technology Co., Ltd. (Cayman) were transferred to a third party. Since then, Wiset Information Technology Co., Ltd. (Cayman) is not a related party of the Group.

Prior to 7 May 2018, Lebanban (Beijing) Technology Co., Ltd. was controlled by an executive director of the Company. On 7 May 2018, the shares of Lebanban (Beijing) Technology Co., Ltd. were transferred to a third party. Since then, Lebanban (Beijing) Technology Co., Ltd. is not related to the Group.

Related party balances

(i) Non-trade receivables from related parties:

	At 30 June 2018 *RMB'000*	At 31 December 2017 *RMB'000*
Due from Lebanban (Beijing) Technology Co., Ltd.	—	500
Due from Dai Kebin	—	1,500
	—	2,000

21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Related party balances (Continued)

(ii) Non-trade payables to a related party:

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Due to Wisest Information Technology Co., Ltd. (Cayman)	—	2,004

(iii) Loans from a related party:

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Loans from Giant Lilly	99,249	—

The Company borrowed RMB99,249 thousand (equivalent to US$15,000 thousand) from a related party for the restructuring of the Group for the Company's IPO, and the amount was fully settled on 2 July 2018.

Related party transactions

	Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Fundings transfer from		
Temporary borrowings		
— Lebanban (Beijing) Technology Co., Ltd.	—	2,820
— Wisest Information Technology Co., Ltd. (Cayman)	—	513
— Dai Kebin	1,500	—
Related party loans		
— Giant Lilly	99,249	—
Fundings transfer to		
Temporary borrowings		
— Lebanban (Beijing) Technology Co., Ltd.	2,900	—
— Dai Kebin	—	1,640

22 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2018

IFRS 16, Leases

Currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. Upon the adoption of IFRS 16, where the Group is the lessee under the lease the Group will be required to account for all leases in a similar way to current finance lease accounting, i.e. recognize and measure a lease liability at the present value of the minimum future lease payments and recognize a corresponding "right-of-use" asset at the commencement date of the lease, subject to practical expedients. IFRS 16 will primarily affect the Group's accounting as a lessee of leases for items of property, plant and equipment which are currently classified as operating leases.

As a result of these new lease agreements, the impact of the initial adoption of IFRS 16 is now estimated to be more significant than the Group's expectation at the time when the 2017 annual financial statements were prepared.

The following is an updated information about the Group's future minimum lease payments, based on the non-cancellable operating leases that have been entered into by 30 June 2018:

	Properties *RMB'000*
Amount payable:	
Within 6 months	**21,692**
After 6 months but within 1 year	**20,780**
After 1 year but within 5 years	**91,057**
	133,529

Upon the initial adoption of IFRS 16 at 1 January 2019, the present value of most of the future minimum lease payments that are payable after 6 months will be recognized as lease liabilities, with corresponding right-of-use assets recognized as non-current assets. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of IFRS 16.