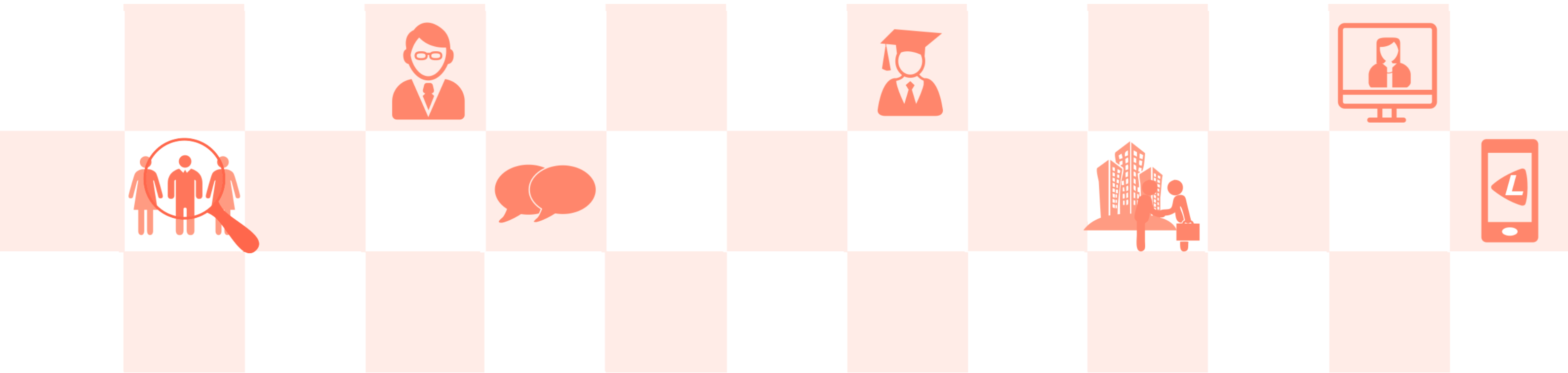
猎聘 Liepin

Wise Talent Information Technology Co., Ltd

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6100

INTERIM REPORT 2019



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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
"Audit Committee"	the audit committee of our Company
"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
"GDP"	Gross Domestic Product
"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
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board

"IFRIC"	International Financial Reporting Interpretations Committee
"IFRS"	International Finance Reporting Standards, amendments, and interpretations, as issued by the IASB
"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 2019
"RMB"	Renminbi, the lawful currency of PRC

"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
"SIC"	Standing Interpretation Committee
"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
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"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 54, 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 2019, the operations and business of the Group has achieved the following growth when compared with those for the six months ended 30 June 2018:

- Revenue including revenue from providing talent acquisition services to our business customers and providing professional career services was RMB712.4 million for the six months ended 30 June 2019, a 23.1% increase from RMB578.9 million for the six months ended 30 June 2018.

- Gross profit was RMB570.5 million for the six months ended 30 June 2019, a 17.9% increase from a gross profit of RMB484.0 million for the six months ended 30 June 2018.

- Net profit was RMB70.4 million for the six months ended 30 June 2019, a 1,374.9% increase from a net profit of RMB4.8 million for the six months ended 30 June 2018.

- Net profit attributable to the owners of the Company was RMB67.6 million for the six months ended 30 June 2019, a 2,192.4% increase from a net profit attributable to the owners of the Company of RMB2.9 million for the six months ended 30 June 2018.

- Non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses) was RMB92.2 million for the six months ended 30 June 2019, a 50.4% increase from a non-GAAP profit attributable to equity owners of the Company (excluding share-based compensation expenses and one-time listing expenses) of RMB61.3 million for the six months ended 30 June 2018.

- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2019 to the shareholders of the Company.

Dear shareholders,

I am pleased to present the 2019 interim report of Wise Talent Information Technology Co., Ltd on behalf of the Board and the management of the Company.

We encountered continuous challenges in the first half of 2019. The economy of China remained stable and grew steadily amid uncertainties in the first half of the year. With the recent downward pressure of the recent economy and the resulting market uncertainties, we still recorded a steady growth in our performance. For the six months ended 30 June 2019, we achieved revenue and gross profit of RMB712.4 million and RMB570.5 million, respectively, representing an increase of 23.1% and 17.9%, respectively, compared to those in the same period in 2018. Net profit for the six months ended 30 June 2019 amounted to RMB70.4 million, compared to the net profit of RMB4.8 million for the six months ended 30 June 2018. Non-GAAP profit attributable to equity owners for the six months ended 30 June 2019 increased from RMB61.3 million for the same period last year to RMB92.2 million. Such performance has shown higher returns from operations as indicated by our operating leverage.

As a human resources service platform driven by technology, we always strive to support the human resources industry through technology by introducing innovative product application and service experiences, so as to improve the operating performance of the platform. In the first half of 2019, the Company continuously invested in R&D to strengthen the capabilities of AI, semantic analysis of natural language, user growth and user value. The Company also innovated and upgraded a number of products and launched new applications for the human resources industry, which connected more job seekers with their desired jobs, helped more businesses and headhunters in acquiring and matching talents more effectively and allowed recruiters to access our products more conveniently and efficiently.

As a result of our relentless efforts contributed to our products and services, the number of our registered individual users rose from 46.9 million as at 31 December 2018 to 51.0 million as at 30 June 2019, while the number of verified business users increased from 338,658 as at 31 December 2018 to 455,935 as at 30 June 2019. In view of the pressure from the macro economy, we made certain basic functions on our platform available to small and medium enterprises free of charge, which enhanced the customer loyalty. The number of job postings on our online platform also grew from 2.4 million as at 30 June 2018 to 3.1 million as at 30 June 2019, representing an increase of 29.2% for the same period. The number of our verified headhunters increased from 137,031 as at 31 December 2018 to 151,386 as at 30 June 2019.

The sustainable growth of our number of users and operating scale is largely attributable to our platform which facilitates the mutual development of and continues to create value for enterprises, headhunters and professional managers, resulting in the enhanced loyalty of users and supporting the continuous performance growth of the Company.

To further expand *Liepin*'s eco-platform and attract more participants in the recruitment chain to join our platform, other than the one-stop services for enterprises, headhunters and professional managers including background checks, qualification assessments, products with closed-loop transaction models, resume consultations, interview tutorials and AI recruitment products, we also refined our product functions by technological innovation to optimize searching and matching results and continuously improve customer experience. In the first half of 2019, we upgraded our ecosystem product, *Direct Recruitment*, to attract more hiring decision-makers such as senior management and business department heads of enterprises to join *Liepin*'s platform in order to diversify platform positions, enhance the interactions among users to offer greater value propositions to recruiters and job seekers, and to launch the new era of "everyone can be a recruiter". Through our *Direct Recruitment* products, we empower the recruitment function to each individual participant and we are able to fulfil recruitment needs of specific departments and individuals in a more personalized way and also create abundant and high-quality career opportunities for users on the platform. With these initiatives, the number of closed-loop transactions will further increase and more extensive data will be collected as our user base continues to expand, bringing more monetization opportunities in the future and forming a virtuous circle that can create greater value for all participants in the ecosystem of *Liepin* and undergo self-upgrading and evolution.

Since our inception, in order to achieve our corporate vision to "help every talent achieve greater career success", we have been upgrading our products and creating value for our users. In the meantime, we have also focused on assisting enterprises and headhunters in recruiting talents in order to maximize their efficiency and talent value. Looking forward to the second half of 2019, we will further invest in the R&D of our platform and provide support to more enterprises, headhunters and professional managers through the application of innovative products and the efficient AI-driven job matching system. We will also continuously optimize our AI-driven internal sales information system and the operation efficiency of our service team. In addition, we will grasp opportunities to acquire and invest in assets and businesses which can complement our business and support our growth strategies in order to further expand our user and customer base and establish a comprehensive career service system.

Throughout the years, attributable to the tremendous support from all shareholders, employees and partners of *Liepin* as well as all sectors in the society, *Liepin* has developed into a leading career development platform for mid- to high-end job candidates in China. In the future, we will continue to move forward and put efforts in coping with all difficulties and challenges and assure you that we will continue to make a positive impact on the development of China's talent industry.

Yours faithfully,
Dai Kebin
Chairman

20 August 2019

MARKET REVIEW

The PRC Human Resource Services Market

During the first half of 2019, the macroeconomic growth faced increasing pressure and market uncertainties. As compared with the first half of 2018, there was still an increase in hiring demand, but the growth rate was declining. Due to the pressure of the economic environment, small-and-medium enterprises were more inclined to hire for replacement rather than expanding their headcounts. On the other hand, large enterprises had a more diversified demand for human resources services and the average revenue per user continued to rise. During the first half of 2019, in terms of talent demanded by industries, the internet industry had the highest demand, followed by the real estate, finance, consumer goods and engineering industries. Despite the domestic and international economic pressure, it was the first time the issue of employment was included in the agenda of the National People's Congress and the Chinese Political Consultative Conference in 2019 as a national policy with high importance. Benefiting from the supportive government policies, ongoing talent upgrade and economic transformation in China, the application of AI technology and Big Data analytics in the human resources service industry, and the growing talent pool of mid- to high-end job candidates, the size of mid- to high-end market of talent acquisition services is expected to expand sustainably.

The PRC Professional Career Services Market

The PRC professional career services market 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 solid growth in the first half of 2019 amid challenges posed by the macro economy. For the six months ended 30 June 2019, our revenue and gross profit amounted to RMB712.4 million and RMB570.5 million, respectively, representing an increase of 23.1% and 17.9%, respectively, compared to the same period in 2018. Set forth below is a summary of major developments of our business in the first half of 2019:

Continued Development and Expansion of our Platforms

We operate a talent service platform in China focused on mid- to high-end talents where we host a full range of proprietary online platform and SaaS solutions and provide online products and services to our registered individual users, verified business users and verified headhunters. Through our mobile app, website and branded WeChat official accounts, we offer a comprehensive range of talent services to individual users to find better career opportunities and verified business users and headhunters to source talents more effectively. During the first six months of 2019, we have launched a series of product innovations, including *Magic Mirror* (魔鏡), an AI interview screening system and certain new features to *Direct Recruitment* (直招), for example, candidate-to-candidate direct recruitment.

We have been continuously leveraging on headhunters and other ecosystem partners to offer customized and closed-loop services, catering to the needs of our business customers and individual users. Our headhunter-assisted, closed-loop talent acquisition services such as *Interview Express* (面試快) and *Onboarding Express* (入職快) are the real breakthrough from traditional offline recruiting services industry. These products enable our business customers to request talent acquisition services online and obtain customized hiring services at different hiring milestones such as interview or onboarding from AI-selected headhunters with result-driven fee structures. Business customers can identify suitable candidates at a much faster pace and complete payment process online. Business customers also have the visibility of the entire hiring process, and the real time data accumulated through the closed-loop services can optimize our algorithm to further enhance the match between job opportunities and candidates. As part of our ecosystem expansion strategy, we have also expanded our background check services, which comprise identification verification, degree or diploma verification, work experience verification and legal proceedings check with our service partners.

Expansion of Talent Pool

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

The number of registered individual users increased from 43.2 million as of 30 June 2018, with an average annual salary of RMB155,204 to 51.0 million as of 30 June 2019, with an average annual salary of RMB176,062.

Our traffic reached record high in March 2019. We observe a strong level of activeness among our individual users and the level of engagement of our registered individual users continue to grow. We continue to offer products and services for free to our registered individual users, including the creation of professional profiles with customized privacy setting on our platforms, personalized job and headhunter recommendations provided with our Big Data and AI technology, as well as social network and career content services provided through our *Liepin* (獵聘) mobile app. During the first half of 2019, we have also added certain new features to our free basic services to enhance user experiences, including new features to *Direct Recruitment* (直招), for example, candidate-to-candidate direct recruitment.

We offered paid value-added services to our individual users who require from us career services in addition to the aforesaid free basic services. We offered premium membership packages under different pricing plans for which individual users can subscribe on a monthly, quarterly, semi-annually and annual basis to access to a variety of enhanced functions and tools (e.g. top placement of their professional profiles and group messaging to a large number of headhunters and business HRs). We also offer CV advisory services tailored to the different needs of individual paying users based on the length of their work experience by leveraging on third-party professional advisors. We generated RMB37.4 million of revenue from individual users during the six months ended 30 June 2019 (compared with RMB33.6 million for the six months ended 30 June 2018).

Leveraging on our talent networks and AI technology, we have mapped out a comprehensive and expanding talent graph and accumulated data insights that are difficult to replicate. Our talent database accumulates a vast and growing amount of rich, up-to-date and relevant information of job candidates. Such information reflects individual users' profiles, behaviors and social interactions, mutual endorsement, variation and transactions. The networking and social functions of our online professional community enable us to capture users' behavioral data. We collected and analyzed user-generated data to model and predict user intentions and behaviors. Not only we functioned as a massive transaction platform facilitating hiring transactions, but also generated proprietary transactional data to help us enhancing our service quality. During the first half of 2019, we launched *Magic Mirror* (魔鏡), an AI interview screening system, which potentially assists our business users to reduce their cost of recruitment.

Growth of Talent Acquisition Services to Business Users

Talent acquisition services to business users continued to be our major source of revenue. During the six months ended 30 June 2019, we generated revenue of RMB674.0 million (compared with RMB544.1 million generated during the same period in 2018) from this business segment. *Liepintong* (獵聘通) remained our primary platform through which we offered a wide range of basic and advanced talent solutions via personal computers or mobile app to our verified business users during the first half of 2019. We continued to provide free basic talent solutions and tools including job posting services on *Liepintong* (獵聘通), CV search, recommendation and management services, a SaaS-based solution of HR internal synergy tools, and Enterprise Station services. The number of our verified business users increased from 304,407 as of 30 June 2018 to 455,935 as of 30 June 2019. The number of job postings on our online platform also grew from 2.4 million as of 30 June 2018 to 3.1 million as of 30 June 2019.

In addition to our basic talent acquisition services, we offer customized subscription packages for business customers to access advanced talent acquisition services to further optimize their recruitment efficiency. Pricings of our subscription packages are determined based on the talent acquisition services selected by our business customers as well as our relationships with such business customers, which typically range from RMB10,000 to RMB50,000 per package and generally have a term of 12 months. These tools include our 360-degree CV review and downloading services, *Express Hiring 2.0* (急聘2.0), invitations to apply for jobs, intent communication with job candidates, salary reports and background checks.

Business customers can also elect to purchase our headhunter-assisted, closed-loop talent acquisition services, primarily *Interview Express* (面試快), *Onboarding Express* (入職快) and *Recruiting Process Outsourcing (3.0)* (招聘流程外包(3.0)), for which they will pay us a fixed fee upon the completion of certain milestones based on the offered annual salary of a particular position.

By leveraging various types of closed-loop talent acquisition transactions, we collected highly valuable and insightful transaction data altogether with our comprehensive and expanding talent graph. Benefiting from the insights of these valuable data, our technology and Big Data team has continued to improve matching algorithm to further enhance our service quality and matching efficiency between job opportunities and candidates. During the first half of 2019, approximately 70% of candidates' job applications were matched with job opportunities with the assistance of our AI matching technology before referral of job opportunities to our individual users.

Strengthened Partnership with Headhunters

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

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

The number of our verified headhunters increased from 119,271 as of 30 June 2018 to 151,386 as of 30 June 2019. The total number of contacts with registered individual users by our verified headhunters also increased from 332.0 million as of 30 June 2018 to 449.2 million as of 30 June 2019. Headhunters significantly boost up the level of activity and engagement of registered individual user.

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

	As of 30 June		As of 31 December	
	2019	2018	2018	2017
Individual Users				
Number of registered individual users (in millions)	**51.0**	43.2	46.9	38.9
Number of individual paying users	**225,970**	140,607	178,901	89,606
Average annual salary of registered individual users (in RMB)	**176,062**	155,204	168,341	144,286
Number of CVs (in millions)	**51.0**	43.2	46.9	38.9
Business Users and Customers				
Number of verified business users	**455,935**	304,407	338,658	248,600
Number of business customers	**48,915**	45,377	48,230	39,887
Number of job postings (in millions)	**3.1**	2.4	3.9	2.5
Headhunters				
Number of verified headhunters	**151,386**	119,271	137,031	101,840
Number of contacts with registered individual users by our verified headhunters (in millions)	**449.2**	332.0	729.0	482.1

FUTURE OUTLOOK AND STRATEGIES

We have seen a slower start during the first half of 2019 as a result of more cautious recruitment plans and budget from employers and the market turbulence and uncertainties in light of certain macro-economic factors such as slowdown of China GDP growth and the US-China trade war. Nonetheless, we are generally optimistic about the long-term prospect of the PRC human resources industry as well as our business while remaining cautious of any risk of short-term fluctuations of business confidence in economic growth which might ultimately affect employers' hiring sentiments and, hence, their budgets on procuring talent acquisition services.

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

We strongly believe that talent upgrade is the prerequisite for such economic structural transformation and industrial advancement. Chinese companies will be forced to implement organizational upgrade to better address their challenges which will increase the demand for mid- to high-end talents, require ongoing talent upgrade and prompt the 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.

During the tough economic cycle with weak hiring demand and low market visibility, we will stay focus on our long-term strategies on our investments in technological innovations and data capabilities in order to grow our talent base and enhance users' experience. We will also expand our sales network to broaden our customer base and product offerings in order to bring more headhunters to empower our ecosystem.

FINANCIAL REVIEW

Revenue

Our revenue was RMB712.4 million for the six months ended 30 June 2019, a 23.1% increase from RMB578.9 million for the six months ended 30 June 2018, which was primarily due to the increase in the number of business customers and average revenue per user. Specifically, while small and medium enterprises encountered more challenges during the tough cycle since they are more vulnerable to adverse macro-economic conditions and it has become more difficult for them to obtain liquidity from financial institutions, our average revenue per user increased during the first half of 2019 as we have been able to secure more hiring budget from our key customer accounts by providing a wide range of hiring services. During the period under review, approximately 94.6% of our revenue was generated from providing talent acquisition services to our business user, 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 providing professional career services to individual paying users, such as premium membership services, career coaching and CV advisory services to our registered individual users. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the six months ended 30 June			
	2019		2018	
	RMB'000	**%**	*RMB'000*	%
	(unaudited)		(unaudited)	
Talent acquisition services to business user	**673,972**	**94.6**	544,077	94.0
Professional career services to individual paying users	**37,373**	**5.2**	33,641	5.8
Rental income from investment property	**1,081**	**0.2**	1,176	0.2
Total	**712,426**	**100**	578,894	100

Revenue from talent acquisition services to business user was RMB674.0 million for the six months ended 30 June 2019, a 23.9% increase from RMB544.1 million for the six months ended 30 June 2018 primarily due to the increase in the number of business customers and average revenue per user.

Revenue from professional career services to individual paying users was RMB37.4 million for the six months ended 30 June 2019, a 11.1% increase from RMB33.6 million for the six months ended 30 June 2018 primarily due to the offering of wider range of products to registered individual users.

Revenue from rental income was RMB1.1 million for the six months ended 30 June 2019 and RMB1.2 million for the six months ended 30 June 2018, which remained relatively stable.

Cost of Revenue

Our cost of revenue primarily comprises service and project expenses, salaries and benefits for our talent acquisition service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB141.9 million for the six months ended 30 June 2019, a 49.6% increase from RMB94.9 million for the six months ended 30 June 2018. The percentage increase in cost of revenue was higher than the percentage increase in revenue, which was mainly driven by the change in product mix as a result of customers' preference in using closed-loop services and result-driven products causing an increase in project expenses and headhunters associated costs.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB570.5 million for the six months ended 30 June 2019, a 17.9% increase from RMB484.0 million for the six months ended 30 June 2018. Gross profit margin decreased to 80.1% for the six months ended 30 June 2019 from 83.6% for the six months ended 30 June 2018 due to the change in product mix as a result of customers' preference in using closed-loop services and result-driven products with lower profit margin causing an increase in project expenses and headhunters associated costs.

Sales and Marketing Expenses

Our sales and marketing expenses primarily comprised salaries and benefits (including share-based compensation expenses) for sales, sales support and marketing personnel, advertising and promotion expenses and other expenses associated with our sales and marketing activities. Our sales and marketing expenses were RMB361.2 million for the six months ended 30 June 2019, a 8.1% increase from RMB333.9 million for the six months ended 30 June 2018, which was primarily due to the increase in sales personnel costs. Our sales and marketing expenses as a percentage of revenue decreased from 57.7% for the six months ended 30 June 2018 to 50.7% for the six months ended 30 June 2019, primarily due to improving operation leverage driven by the increase in efficiency of our sales team.

General and Administrative Expenses

Our general and administrative expenses primarily encompassed salaries and benefits (including share-based compensation expenses) for our general and administrative personnel, office expenses (including rental expense) and other operating expenses which include impairment losses for doubtful accounts receivable. Our general and administrative expenses were RMB114.7 million for the six months ended 30 June 2019, a 6.6% increase from RMB107.6 million for the six months ended 30 June 2018, which was primarily due to the increase in office rental expenses. Our general and administrative expenses as a percentage of revenue decreased from 18.6% for the six months ended 30 June 2018 to 16.1% for the six months ended 30 June 2019, primarily due to the increase in operating efficiency.

Research and Development Expenses

Our R&D expenses primarily comprised salaries and benefits (including share-based compensation expenses) for R&D personnel and other R&D related expenses, such as office rental and depreciation of equipment associated with R&D activities. Our R&D expenses were RMB85.0 million for the six months ended 30 June 2019, a 60.0% increase from RMB53.1 million for the six months ended 30 June 2018. In order to seize the significant long-term growth opportunities, we invested aggressively in R&D headcounts and personnel costs, especially share-based compensation. As a percentage of revenue, our R&D expenses increased from 9.2% for the six months ended 30 June 2018 to 11.9% for the six months ended 30 June 2019, primarily as a result of product innovations, upgrade of existing products and integration of the systems developed for those newly acquired subsidiaries with the Group's existing system in order to achieve synergy.

Other Income

Other income primarily comprised income derived from interest income from bank deposits. Our other income increased by 270.7% from RMB12.4 million for the six months ended 30 June 2018 to RMB45.9 million for the six months ended 30 June 2019, primarily as a result of increase of interest income from bank deposit.

Profit from Operations

As a result of the foregoing, our profit from operations for the six months ended 30 June 2019 was RMB55.5 million, compared to a profit from operations of RMB1.7 million for the six months ended 30 June 2018.

Net Finance (Cost)/Income

Net finance (cost)/income primarily consists of interest on lease liabilities rising from the adoption of IFRS 16, bank charges and foreign currency exchange gain due to fluctuation of USD against RMB. Our net finance cost was RMB2.3 million for the six months ended 30 June 2019, compared to a net finance income of RMB2.9 million for the six months ended 30 June 2018, primarily as a result of the increase in interest on lease liabilities.

Profit before Tax

As a result of the foregoing, profit before tax was RMB66.9 million for the six months ended 30 June 2019, compared to a profit before tax of RMB5.1 million for the six months ended 30 June 2018.

Income Tax (Credit)/Expenses

Income tax credit was RMB3.6 million for the six months ended 30 June 2019, compared to income tax expenses of RMB0.3 million for the six months ended 30 June 2018.

Profit for the Reporting Period

Profit was RMB70.4 million for the six months ended 30 June 2019, compared to a profit of RMB4.8 million for the six months ended 30 June 2018.

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 one off expenses.

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	(in RMB'000)	
Profit attributable to equity owners of the Company	**67,558**	2,947
Share-based compensation expenses	**24,673**	15,737
Listing expenses	**—**	42,645
Non-GAAP profit attributable to equity owners of the Company	**92,231**	61,329

LIQUIDITY AND FINANCIAL RESOURCES

We expect our liquidity requirements will be satisfied by a combination of cash generated from operating activities, investing activities 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 RMB2,872.7 million and RMB681.5 million as of 30 June 2018 and 30 June 2019 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	
	2019 (unaudited)	2018 (unaudited)
	(in RMB'000)	
Net cash generated from operating activities	**9,407**	117,211
Net cash generated from investing activities	**58,984**	2,500
Net cash (used in)/generated from financing activities	**(36,937)**	2,500,466
Net increase in cash and cash equivalents	**31,454**	2,620,177
Effect of foreign exchange rate changes	**1,680**	1,129
Cash and cash equivalents at the beginning of the Reporting Period	**648,331**	251,345
Cash and cash equivalents at the end of the Reporting Period	**681,465**	2,872,651

Net Cash Generated from Operating Activities

For the six months ended 30 June 2019, net cash generated from operating activities was RMB9.4 million, compared to net cash generated from operating activities of RMB117.2 million for the six months ended 30 June 2018, primarily because business customers remained more cautious in hiring decisions.

Net Cash Generated from Investing Activities

For the six months ended 30 June 2019, net cash generated from investing activities was RMB59.0 million, which was mainly attributable to the proceeds from maturity of wealth management products and the net proceeds from time deposits with banks, compared to RMB2.5 million for the six months ended 30 June 2018.

Net Cash (Used in)/Generated from Financing Activities

For the six months ended 30 June 2019, net cash used in financing activities was RMB36.9 million, mainly attributable to payment for shares held for share award schemes and capital element of lease rentals paid, compared to net cash generated from financing activities of RMB2,500.5 million for the six months ended 30 June 2018 in connection with the initial public offering of the Company.

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	
	2019 (unaudited)	2018 (unaudited)
	(in RMB'000)	
Payment for property, plant and equipment and intangible assets	**12,654**	10,123
Payment for the purchase of equity securities	**56,552**	92,572
Total capital expenditures and long-term investments	**69,206**	102,695

Our capital expenditure during the six months ended 30 June 2019 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 RMB56.6 million in different companies that have technologies or businesses that supplement and benefit our business (for the six months ended 30 June 2018: RMB92.6 million) which includes a cash deposit in the amount of RMB21 million paid to minority shareholder of Changsha Ranxing in March 2019 in relation to the acquisition of equity interests in Changsha Ranxing.

INDEBTEDNESS

We had no bank loans or convertible loans as of 30 June 2019 and as of 30 June 2018.

GEARING RATIO

The gearing ratio (calculated as total bank and other borrowings divided by total assets/capital) of the Company as at 30 June 2019 was nil (30 June 2018: 2.8%).

The Board and 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.

BORROWINGS AND BONDS

As of 30 June 2019, the Company had no bank loans or other borrowings and nor did the Company issue any bonds.

CONTINGENT LIABILITIES

As of 30 June 2019, we did not have any material contingent liabilities.

FOREIGN EXCHANGE RISK

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

For the six months ended 30 June 2019 and 2018, we had foreign currency exchange gain (both realized and unrealized) of RMB0.8 million and RMB4.4 million respectively, recognized as net finance income in the consolidated statement of profit or loss and other comprehensive income. The foreign currency exchange gain for the six months ended 30 June 2019 was mainly attributable to appreciation of USD 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 60 days from the date of invoice. The Group does not normally obtain collateral from customers.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and hence significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. We did not have significant concentration of debtors as of 30 June 2019.

LIQUIDITY RISK

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

SIGNIFICANT INVESTMENTS HELD

During the first half of 2019, the Group entered into an equity transfer agreement with Founder Zhuting, Hangzhou Enniu Network Technology Co., Ltd. ("**Hangzhou Enniu**") and Hangzhou Fanniu Investment Management Limited Partnership ("**Hangzhou Fanniu**") and a capital increase agreement with Shanghai Xunhou Human Resources Co., Ltd (上海勛厚人力資源有限公司) ("**Xunhou**"), a PRC company engaging in the business of online career service for undergraduates and fresh graduates, pursuant to which the Group agreed to acquire an additional 25.91% equity interest in Xunhou with a total cash consideration of RMB40.76 million.

As of 30 June 2019, the industrial and commercial modification procedures with Hangzhou Enniu and Hangzhou Fanniu have not been completed yet.

On 31 May 2019, the Group entered into an equity transfer agreement with Liepin Kaipusi (Tianjin) Information Technology Co., Ltd (獵聘凱普斯(天津)信息技術有限公司) ("**Liepin Kaipusi**"), a PRC company which provides campus recruitment industry solution services for its clients to identify target student candidates and to recruit the candidates through their customized recruitment solutions, pursuant to which the Group agreed to acquire approximately 71.2% equity interest in Liepin Kaipusi with a total cash consideration of RMB22 million. The acquisition was completed on 31 May 2019. As a result, Liepin Kaipusi became a subsidiary of the Group held as to approximately 71.2% by the Group.

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

PLEDGE OF ASSETS/CHARGE ON ASSETS

There was no pledge of the Group's assets as at 30 June 2019.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this interim report, the Group did not have any material acquisitions or disposal of subsidiaries or associated companies during the six months ended 30 June 2019.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company were approximately HKD2,804.6 million. HKD449.5 million out of the net proceeds have been utilized as of 30 June 2019 in the manner consistent with that disclosed in the Prospectus under the section headed "Future Plans and Use of Proceeds".

During the year ended 31 December 2018 and the six months ended 30 June 2019, 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 year ended 31 December 2018 *(in HKD'000)* (approximate)	Actual use of proceeds during the six months ended 30 June 2019 *(in HKD'000)* (approximate)	Net proceeds unutilized during the six months ended 30 June 2019 *(in HKD'000)* (approximate)
40% for enhancement of R&D capabilities and product offerings	1,121,840	64,941	68,642	988,257
25% for pursue of acquisitions of or investments in assets and business and support our growth strategies	701,150	20,691	70,460	609,999
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	701,150	96,984	93,286	510,880
10% for working capital and general corporate purposes	280,460	17,487	17,052	245,921
	2,804,600	200,103	249,440	2,355,057

For the unutilized net proceeds in the amount of approximately HKD2,355.1 million as at 30 June 2019, 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

Save as disclosed in this interim report, as of 30 June 2019, 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 2019, the interests and short positions of our Directors and chief executives 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 entered 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 Interest (%)
Mr. Dai Kebin	Interest of controlled corporation(1)	32,764,955	6.32
	Founder of a discretionary trust(2)	266,025,141	51.33
	Interest of spouse(3)	2,112,145	0.41
Mr. Chen Xingmao	Founder of a discretionary trust(4)	14,098,226	2.72
Ms. Xu Lili	Founder of a discretionary trust(5)	2,222,784	0.43

Notes:

1. As of 30 June 2019, Mr. Dai Kebin held 99% of Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. and were deemed to be interested in the shares held by Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership). Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. is the general partner of and holds 0.26% of Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership), which in turn holds 32,764,955 shares in the Company. Subsequent to the Reporting Period, Mr. Dai Kebin assigned his entire interest in Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. to three parties independent to the Company and its connected persons and is no longer interested in 32,764,955 shares in the Company held by Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership). For further details, please refer to the Company's announcement dated 2 July 2019.

2. Mr. Dai Kebin is the settlor of a discretionary trust, The Dai Family Trust, of which SMP Trustees (Hong Kong) Limited acts as its trustee and the beneficiaries of which are Mr. Dai Kebin and certain of his family members. May Flower Information Technology Co., Limited ("**May Flower**") is wholly-owned by Pioneer Choice Global Limited, which is in turn wholly-owned by SMP Trustees (Hong Kong) Limited as the trustee of The Dai Family Trust. Mr. Dai Kebin (as settlor of The Dai Family Trust), SMP Trustees (Hong Kong) Limited and Pioneer Choice Global Limited are deemed to be interested in 266,025,141 shares in the Company which May Flower is interested. May Flower holds 110,533,199 shares in the Company beneficially and 155,491,942 shares in the Company 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 upon listing) 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 upon listing) held by Giant Lilly Investment Ltd;

   (iii) 29,136,738 shares of the Company held by Tenzing Holdings 2011 Ltd.;

   (iv) 14,098,226 shares of the Company held by Xiaoying Information Technology Co., Limited; and

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

3. Ms. Song Yueting is the spouse of Mr. Dai Kebin. Ms. Song Yueting is interested in 2,112,145 shares in the Company in a capacity of a founder of a discretionary trust.

4. Mr. Chen Xingmao is the settlor of a discretionary trust, The Xiaoying Trust, of which Vistra Trust (Singapore) Pte. Limited acts as its trustee and the beneficiaries of which are Mr. Chen Xingmao and certain of his family members. Xiaoying Information Technology Co., Limited is wholly-owned by Rewarding Boost Limited, which is in turn wholly-owned by Vistra Trust (Singapore) Pte. Limited as the trustee of The Xiaoying Trust. Mr. Chen Xingmao (as settlor of The Xiaoying Trust), Vistra Trust (Singapore) Pte. Limited and Rewarding Boost Limited are deemed to be interested in 14,098,226 shares in the Company held by Xiaoying Information Technology Co., Limited.

5. Ms. Xu Lili is the settlor of a discretionary trust, The Sunny Lily Trust, of which Vistra Trust (Singapore) Pte. Limited acts as its trustee and the beneficiaries of which are Ms. Xu Lili and certain of her family members. Sunny Lily Information Technology Co., Limited ("**Sunny Lily**") is wholly-owned by Trinity Century Global Limited, which is in turn wholly-owned by Vistra Trust (Singapore) Pte. Limited as the trustee of The Sunny Lily Trust. Ms. Xu Lili (as settlor of The Sunny Lily Trust), Vistra Trust (Singapore) Pte. Limited and Trinity Century Global Limited are deemed to be interested in 2,222,784 shares in the Company held by Sunny Lily.

Long Positions in Underlying Shares of the Company

Name of Director	Capacity	Number of underlying shares in respect of the share options granted	Percentage of underlying shares over the Company's issued share capital (%)
Ms. Xu Lili	Beneficial owner	1,000,000	0.19

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	100.00
Mr. Chen Xingmao	Beneficial owner	Wisest (Beijing) Management Consulting Co., Ltd.	947,460	2.38

Note:

(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.. Mr. Dai Kebin is deemed to be interested in such 3,902,580 shares in Wisest (Beijing) Management Consulting Co., Ltd. held by such entities.

Save as disclosed above, as at 30 June 2019, none of our Directors or chief executives had or was deemed to have any interest 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 2019, 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 (%)
Song Yueting	Founder of a discretionary trust[(1)]	2,112,145 (long position)	0.41
	Interest of Spouse[(2)]	298,790,096 (long position)	57.65
May Flower Information Technology Co., Limited[(3)]	Beneficial owner	266,025,141 (long position)	51.33
Tenzing Holdings 2011 Ltd.[(4)]	Beneficial owner	29,136,738 (long position)	5.62
Tenzing Holdings, LLC[(4)]	Interest of controlled corporation	29,136,738 (long position)	5.62
South Dakota Trust Company LLC[(4)]	Trustee	29,136,738 (long position)	5.62
Matrix Partners China I, L.P.[(5)]	Beneficial owner	80,262,876 (long position)	15.49
Matrix China Management I, L.P.[(5)]	Interest of controlled corporation	88,395,239 (long position)	17.06
Matrix China I GP GP, Ltd.[(5)]	Interest of controlled corporation	88,395,239 (long position)	17.06

Name of Shareholder	Capacity/Nature of Interest	Total number of shares	Approximate Percentage of Shareholding Interest (%)
Giant Lilly Investment Ltd[6]	Beneficial owner	97,226,933 (long position)	18.76
Warburg Pincus Private Equity XI, L.P.[6]	Interest of controlled corporation	97,226,933 (long position)	18.76
Warburg Pincus XI, L.P.[6]	Interest of controlled corporation	97,226,933 (long position)	18.76
WP Global LLC[6]	Interest of controlled corporation	97,226,933 (long position)	18.76
Warburg Pincus Partners II, L.P.[6]	Interest of controlled corporation	97,226,933 (long position)	18.76
Warburg Pincus Partners GP LLC[6]	Interest of controlled corporation	97,226,933 (long position)	18.76
Warburg Pincus & Co.[6]	Interest of controlled corporation	97,226,933 (long position)	18.76
Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership)[7]	Beneficial owner	32,764,955 (long position)	6.32
Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd.[7]	Interest of controlled corporation	32,764,955 (long position)	6.32

Notes:

1. Ms. Song Yueting is the settlor of a discretionary trust, The Song Family Trust, of which SMP Trustees (Hong Kong) Limited acts as its trustee and the beneficiaries of which are Ms. Song Yueting and certain of her family members. All Connected Information Technology Co., Limited ("**All Connected**") is wholly-owned by Hero Dreams Group Limited, which is in turn wholly-owned by SMP Trustees (Hong Kong) Limited, as the trustee of The Song Family Trust. Ms. Song Yueting (as settlor of The Song Family Trust), SMP Trustees (Hong Kong) Limited and Hero Dreams Group Limited are deemed to be interested in 2,112,145 shares in the Company held by All Connected.

2. Mr. Dai Kebin is the spouse of Ms. Song Yueting. Mr. Dai Kebin is interested in 298,790,096 shares in the Company in capacity of a founder of a discretionary trust and through interests in controlled corporation. For details of Mr. Dai Kebin's interest in the shares of the Company, please refer to notes (1) and (2) on pages 23 to 24 of this interim report.

3. May Flower is wholly-owned by Pioneer Choice Global Limited, which is in turn wholly-owned by SMP Trustees (Hong Kong) Limited, as the trustee of The Dai Family Trust. Mr. Dai Kebin (as settlor of The Dai Family Trust), SMP Trustees (Hong Kong) Limited and Pioneer Choice Global Limited are deemed to be interested in 266,025,141 shares in the Company which May Flower is interested. May Flower beneficially holds 110,533,199 shares in the Company and it was granted the following voting proxies over the ordinary shares of the Company, which in aggregate amount to 155,491,942 shares out of the 266,025,141 shares in the Company:

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

   (iii) 29,136,738 shares of the Company held by Tenzing Holdings 2011 Ltd.;

   (iv) 14,098,226 shares of the Company held by Xiaoying Information Technology Co., Limited; and

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

4. 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.

5. Matrix China Management I, L.P. is the general partner of Matrix Partners China I-A, L.P., which beneficially holds 8,132,363 shares in the Company. The general partner of Matrix Partners China I, L.P. is also Matrix China Management I, L.P., the general partner of which is Matrix China I GP GP, Ltd..

6. 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., 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..

7. The general partner of Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership) is Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. Therefore, 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). As of 30 June 2019, Mr. Dai Kebin held 99% of Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. and were deemed to be interested in the shares held by Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership). Subsequent to the Reporting Period, Mr. Dai Kebin assigned his entire interest in Sanqi Tiancai (Tianjin) Enterprise Management Consulting Co., Ltd. to three parties independent to the Company and its connected persons and is no longer interested in 32,764,955 shares in the Company held by Sanqi Weilai (Tianjin) Enterprise Management Partnership (Limited Partnership). For further details, please refer to the Company's announcement dated 2 July 2019.

Save as disclosed above, as at 30 June 2019, our Directors and the chief executives were not aware of any other person (other than our Directors or chief executives) 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 had 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 AND REMUNERATION POLICY

As at 30 June 2019, we had 3,731 employees (as at 30 June 2018: 3,237 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 8.27% of the total issued share capital of the Company as at 30 June 2019. 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 11,321,079 shares of the Company, representing approximately 2.18% of the total issued share capital of the Company were outstanding as at 30 June 2019. As of the six months ended 30 June 2019, 7,749,417 options granted under the Pre-IPO Share Option Scheme have 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 2019 are as follows:

		Number of Share Options							
Category and Name of grantee	Date of grant of share options	Outstanding as at 1 January 2019	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Outstanding as at 30 June 2019	Exercise period of share options	Exercise price of share options	Weighted average price of the Company's shares
Executive Directors									
Ms. Xu Lili	10 June 2018	1,000,000	—	—	—	1,000,000	10 June 2018 to 9 June 2028	US$2,50	—
Employees of the Group									
In aggregate	January 2012 to June 2018	20,025,675	—	7,749,417	1,955,179	11,321,079	January 2022 to June 2028	US$0.0268 to US$2.50	HKD22.70
Total		21,025,675	—	7,749,417	1,955,179	11,321,079			

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 2019, the remaining life of the Post-IPO Share Option Scheme is around 9 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 2019, 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.

Restricted Share Unit Scheme

The post-IPO Restricted Share Unit Scheme (the "**RSU Scheme**") was approved and adopted by the Board on 25 January 2019. The RSU Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The purpose of the RSU Scheme is to reward employees for their past contribution to the success of the Company and to provide incentives to them to further contribute to the Company.

Eligible participants include any employee or officer of the Company or any subsidiary including (without limitation to) any executive or non-executive director in the employment of or holding office in the Company or any subsidiary of the Company who the Board considers, in its sole discretion, has contributed or will contribute to the Group. The Board may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit when making the offer of award to the eligible participant, including, without limitation, conditions as to performance criteria to be satisfied by the eligible participant and/or the Company and/or the Group which must be satisfied before an award can be vested.

The RSU Scheme shall be valid and effective for the period of ten years commencing on the date of adoption (after which no further options shall be offered or granted under the RSU Scheme), but in all other respects the provisions of the RSU Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any restricted share units ("**RSUs**") granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the RSU Scheme.

The maximum number of shares in respect of which RSUs may be granted under the RSU Scheme when aggregated with the maximum number of shares in respect of which options or awards may be granted under any other share-based incentive scheme shall not exceed 10% of the total issued share capital of the same class of the Company as of the date of adoption of the RSU Scheme (or of the refreshment of the 10% limit). Awards which have been lapsed in accordance with the terms of the RSU Scheme (or any other share option scheme of the Company) shall not be counted for the purpose of calculating the 10% limit.

An offer of the grant of an award shall be made to any eligible participant by the notice of grant in such form as the Board may from time to time determines, specifying the number of shares underlying the RSUs granted to them, the vesting schedule as determined by the Board in its discretion, the date by which the grant must be accepted being a date not more than 28 days after the offer date and further requiring the eligible participant to hold the award on the terms on which it is to be granted and to be bound by the provisions of the RSU Scheme.

Unless otherwise determined by the Board at its discretion, no RSU shall be vested in the event that the relevant grantee fails to satisfy the specific terms and conditions applicable to each RSU which may be determined at the sole and absolute discretion of the Board or breaches any term of the RSU Scheme. The trustee will hold the RSUs on trust for the grantees until they are vested. Upon the issuance of the vesting notice by the Board to a grantee, the trustee will transfer the relevant RSUs to that grantee (or its designee). The vesting notice will confirm the extent to which the vesting criteria and conditions have been fulfilled, satisfied or waived, and the number of shares or the amount of cash the grantee will receive, to each of the relevant grantee.

816,121 RSUs were granted during the six months ended 30 June 2019. The remaining life of the RSU Scheme is around 10 years.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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 2019.

CHANGE IN DIRECTOR'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Since 7 March 2019, Mr. Shao Yibo, a non-executive Director, ceased to be a non-executive director of BabyTree Group, a company currently listed on the Main Board of Hong Kong Stock Exchange (Stock code: 1761).

Since 1 April 2019, Mr. Choi Onward, an independent non-executive Director, ceased to be an independent non-executive director of China ITS (Holdings) Co., Ltd., a company currently listed on the Main Board of Hong Kong Stock Exchange (Stock code: 1900).

Save as disclosed above, there is no change in the information of the Directors of the Company as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at 30 June 2019.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with 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 during the six months ended 30 June 2019 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 2019.

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 2019. The Audit Committee has reviewed and considered that the unaudited condensed consolidated interim financial results for the six months ended 30 June 2019 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Investment in Changsha Ranxing

References are made to the announcements of the Company dated 27 March 2019 and 26 August 2019, respectively (the "**Announcements**"). As disclosed in the Announcements, Liepin (HK) Information Technology Co., Limited, a wholly-owned subsidiary of the Company ("**Liepin (HK)**") entered into (i) two investment term sheets dated 26 March 2019 (the "**Investment Term Sheets**"); and (ii) the strategic investment framework agreement dated 26 August 2019 (the "**Investment Framework Agreement**") (which replaced the Investment Term Sheets in their entirety), pursuant to which Liepin HK agreed to strategically invest in an aggregate of 66.60% of the total number of shares in the offshore holding company to be established in the Cayman Islands to control Changsha Ranxing Information Technology Co., Ltd. ("**Changsha Ranxing**"), for a total consideration of RMB826.96 million (collectively, the "**Strategic Investment**"). Upon the completion of the Strategic Investment, Changsha Ranxing will become a non-wholly owned subsidiary of the Company. The Board believes that the Strategic Investment will help strengthen and expand the service coverage of the Group, and further improve the Group's ability to provide users with comprehensive talent services. It is expected that Changsha Ranxing will establish certain contractual arrangements within three months after the entering into of the Investment Framework Agreement. For details of the Strategic Investment, please refer to the Announcements.

Save as disclosed in this interim report, there were no other important events affecting the Company nor any of its subsidiaries since the end of the Reporting Period up to the date of publication of this interim report.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2019 to the shareholders of the Company.

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

The PRC, 20 August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019 — unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2019 RMB'000	2018 (Note) RMB'000
Revenue	3	**712,426**	578,894
Cost of sales		**(141,924)**	(94,896)
Gross profit		**570,502**	483,998
Other income	4	**45,856**	12,369
Sales and marketing expenses		**(361,155)**	(333,940)
General and administrative expenses		**(114,722)**	(107,576)
Research and development expenses		**(84,977)**	(53,121)
Profit from operations		**55,504**	1,730
Net finance (cost)/income	5	**(2,317)**	2,939
Share of profits less losses of associates		**13,673**	433
Profit before taxation	5	**66,860**	5,102
Income tax	6	**3,565**	(327)
Profit for the period		**70,425**	4,775
Attributable to:			
Equity shareholders/owners of the company		**67,558**	2,947
Non-controlling interests		**2,867**	1,828
Profit for the period		**70,425**	4,775
Earnings per share	7		
Basic		**RMB0.1306**	RMB0.0072
Diluted		**RMB0.1240**	RMB0.0067

Note:

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2.

The notes on pages 43 to 64 form part of this interim financial report.

For the six months ended 30 June 2019 — unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2019 RMB'000	2018 (Note) RMB'000
Profit for the period		**70,425**	4,775
Other comprehensive income for the period (after tax and reclassification adjustments):			
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income — net movement in fair value reserve (non-recycling)		**22,010**	—
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**4,291**	—
Other comprehensive income for the period		**26,301**	—
Total comprehensive income for the period		**96,726**	4,775
Attributable to:			
Equity shareholders/owners of the company		**93,859**	2,947
Non-controlling interests		**2,867**	1,828
Total comprehensive income for the period		**96,726**	4,775

Note:

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2.

The notes on pages 43 to 64 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019 — unaudited
(Expressed in RMB)

	Note	At 30 June 2019 RMB'000	At 31 December 2018 (Note) RMB'000
Non-current assets			
Property, plant and equipment	2 & 8	122,554	27,751
Investment property	8	27,550	28,065
Intangible assets		21,075	13,227
Goodwill		65,535	—
Prepaid investment	9	26,075	—
Interest in associates		—	18,444
Other financial assets		149,000	105,918
Other non-current assets		9,292	7,161
		421,081	200,566
Current assets			
Trading receivables	10	58,717	36,019
Prepayments and other receivables	11	104,278	72,117
Receivables from related parties	16	2,913	—
Other current assets		31,726	79,118
Time deposits with banks		2,495,035	2,587,426
Cash and cash equivalents	12	681,465	648,331
		3,374,134	3,423,011
Current liabilities			
Trade and other payables	13	139,363	151,625
Contract liabilities		610,359	636,992
Lease liabilities	2(d)	42,011	—
Current taxation		3,673	7,442
		795,406	796,059

At 30 June 2019 — unaudited
(Expressed in RMB)

	Note	At 30 June 2019 RMB'000	At 31 December 2018 (Note) RMB'000
Net current assets		2,578,728	2,626,952
Total assets less current liabilities		2,999,809	2,827,518
Non-current liabilities			
Lease liabilities	2(d)	52,420	—
NET ASSETS		2,947,389	2,827,518
CAPITAL AND RESERVES			
Share capital		337	332
Reserves		2,929,553	2,828,363
Total equity attributable to equity shareholders/ owners of the company		2,929,890	2,828,695
Non-controlling interests		17,499	(1,177)
TOTAL EQUITY		2,947,389	2,827,518

Note:

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2.

The notes on pages 43 to 64 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019 — unaudited
(Expressed in RMB)

		Attributable to equity shareholders of the company							
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2018		31,785	—	350,923	—	1,877	384,585	3,817	388,402
Changes in equity for the 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		(402)	—	(78,743)	—	—	(79,145)	—	(79,145)
Group reorganization		(31,383)	—	(1,024,595)	—	—	(1,055,978)	—	(1,055,978)
Capitalization issuance		263	1,055,608	—	—	—	1,055,871	—	1,055,871
Issuance of shares for the initial public offering ("**IPO**"), net of issuance cost		59	2,362,694	—	—	—	2,362,753	—	2,362,753
Share-based compensation expenses	14(c)	—	—	15,737	—	—	15,737	—	15,737
Balance at 30 June 2018 and 1 July 2018		322	3,418,302	(736,678)	—	4,824	2,686,770	5,645	2,692,415
Changes in equity for the six months ended 31 December 2018:									
Profit for the period		—	—	—	—	4,790	4,790	(6,822)	(2,032)
Other comprehensive income		—	—	—	94,675	—	94,675	—	94,675
Total comprehensive income		—	—	—	94,675	4,790	99,465	(6,822)	92,643
Repurchase of own shares		—	—	—	—	—	—	—	—
Group reorganization		—	—	—	—	—	—	—	—
Capitalization issuance		—	(266)	—	—	—	(266)	—	(266)
Issuance of shares for the IPO, net of issuance cost		—	7,346	—	—	—	7,346	—	7,346
Shares issued under share option scheme		10	44,402	(41,632)	—	—	2,780	—	2,780
Share-based compensation expenses	14(c)	—	—	32,600	—	—	32,600	—	32,600
Balance at 31 December 2018 *(Note)*		332	3,469,784	(745,710)	94,675	9,614	2,828,695	(1,177)	2,827,518

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2.

For the six months ended 30 June 2019 — unaudited
(Expressed in RMB)

		Attributable to equity shareholders of the company									
	Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Capital reserve RMB'000	Exchange reserves RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2019		332	3,469,784	–	(745,710)	94,675	–	9,614	2,828,695	(1,177)	2,827,518
Changes in equity for the six months ended 30 June 2019:											
Profit for the period		–	–	–	–	–	–	67,558	67,558	2,867	70,425
Other comprehensive income		–	–	–	–	4,291	22,010	–	26,301	–	26,301
Total comprehensive income		–	–	–	–	4,291	22,010	67,558	93,859	2,867	96,726
Shares held for the restricted share unit scheme of the Company (the "**RSU scheme**")	14(b)	–	–	(18,751)	–	–	–	–	(18,751)	–	(18,751)
Shares issued under share option scheme		5	34,699	–	(33,290)	–	–	–	1,414	–	1,414
Acquisition of non-wholly owned subsidiaries		–	–	–	–	–	–	–	–	14,829	14,829
Capital injection from non-controlling owners		–	–	–	–	–	–	–	–	980	980
Share-based compensation expenses	14(c)	–	–	–	24,673	–	–	–	24,673	–	24,673
Balance at 30 June 2019		337	3,504,483	(18,751)	(754,327)	98,966	22,010	77,172	2,929,890	17,499	2,947,389

The notes on pages 43 to 64 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019 — unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2019 RMB'000	2018 (Note) RMB'000
Operating activities			
Cash generated from operations		9,840	117,211
Tax paid		(433)	—
Net cash generated from operating activities		9,407	117,211
Investing activities			
Proceeds from sale of property, plant and equipment		3	136
Investment income from wealth management products received		689	1,419
Proceeds from maturity of wealth management products		100,000	240,000
Proceeds from maturity of time deposits with banks		1,830,358	240,572
Payment for the purchase of property, plant and equipment, and intangible assets		(12,654)	(10,123)
Payment for the purchase of equity securities		(56,552)	(92,572)
Payment for the purchase of wealth management products		(53,000)	(140,000)
Placement of time deposits with banks		(1,734,508)	(236,932)
Loan to employees		(15,352)	—
Net cash generated from investing activities		58,984	2,500
Financing activities			
Capital injection from owners		—	2,364,546
Capital injection from non-controlling owners		980	—
Proceeds from bank loans and related-party loans		—	352,765
Proceed from share issued under share option scheme		1,414	—
Shares held for RSU scheme		(18,751)	—
Payment for repurchase of own shares		—	(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)
Capital element of lease rentals paid		(17,993)	—
Interest element of lease rentals paid		(2,587)	—
Net cash (used in)/generated from financing activities		(36,937)	2,500,466
Net increase in cash and cash equivalents		31,454	2,620,177
Cash and cash equivalents at 1 January		648,331	251,345
Effect of foreign exchanges rates changes		1,680	1,129
Cash and cash equivalents at 30 June	12	681,465	2,872,651

Note:

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2.

The notes on pages 43 to 64 form part of this interim financial report.

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the IASB. It was authorised for issue on 20 August 2019.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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 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 2018 annual financial statements. The consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs. The interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2018 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.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a new IFRS, IFRS 16, *Leases*, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

Except for IFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

IFRS 16, *Leases*

IFRS 16 replaces IAS 17, *Leases*, and the related interpretations, IFRIC 4, *Determining whether an arrangement contains a lease,* SIC 15, *Operating leases — incentives,* and SIC 27*, Evaluating the substance of transactions involving the legal form of a lease.* It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("**short-term leases**") and leases of low value assets. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17.

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

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 15(a).

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. For the Group, low-value assets are typically laptops or office furniture. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) Changes in the accounting policies (continued)

(ii) ***Lessee accounting*** (continued)

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use asset:

— right-of-use assets that meet the definition of investment property are carried at fair value;

— right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value; and

— right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) ***Leasehold investment property***

Under IFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation ("**leasehold investment properties**"). The adoption of IFRS 16 does not have a significant impact on the Group's financial statements as the Group previously elected to apply IAS 40, *Investment properties*, to account for all of its leasehold properties that were held for investment purposes as at 31 December 2018.

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

(i) ***Determining the lease term***

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

2 CHANGES IN ACCOUNTING POLICIES (continued)

(c) Transitional impact

At the date of transition to IFRS 16, the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 5%.

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

(i) the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019;

(ii) when measuring the lease liabilities at the date of initial application of IFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

(iii) when measuring the right-of-use assets at the date of initial application of IFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

The following table reconciles the operating lease commitments as disclosed in note 15(a) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	At 1 January 2019 *RMB'000*
Operating lease commitments at 31 December 2018	115,603
Less: commitments relating to leases exempt from capitalisation:	
— short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(9,789)
	105,814
Less: total future interest expenses	(7,750)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019	98,064
Total lease liabilities recognised at 1 January 2019	98,064

2 CHANGES IN ACCOUNTING POLICIES (continued)

(c) Transitional impact (continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 December 2018.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018 *RMB'000*	Capitalisation of operating lease contracts *RMB'000*	Carrying amount at 1 January 2019 *RMB'000*
Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:			
Property, plant and equipment	27,751	98,019	125,770
Total non-current assets	200,566	98,019	298,585
Prepayments and other receivables	72,117	(3,521)	68,596
Current assets	3,423,011	(3,521)	3,419,490
Trade and other payables	151,625	(3,566)	148,059
Lease liabilities (current)	—	34,812	34,812
Current liabilities	796,059	31,246	827,305
Net current assets	2,626,952	(34,767)	2,592,185
Total assets less current liabilities	2,827,518	63,252	2,890,770
Lease liabilities (non-current)	—	63,252	63,252
Total non-current liabilities	—	63,252	63,252
Net assets	2,827,518	—	2,827,518

2 CHANGES IN ACCOUNTING POLICIES (continued)

(d) Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to IFRS 16 are as follows:

	At 30 June 2019		At 1 January 2019	
	Present value of the minimum lease payments RMB'000	**Total minimum lease payments RMB'000**	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	**42,011**	**42,716**	34,812	35,314
After 1 year but within 2 years	**35,667**	**38,870**	32,237	35,168
After 2 years but within 5 years	**16,753**	**18,933**	31,015	35,332
After 5 years	**—**	**—**	—	—
	52,420	**57,803**	63,252	70,500
	94,431	**100,519**	98,064	105,814
Less: total future interest expenses		**(6,088)**		(7,750)
Present value of lease liabilities		**94,431**		98,064

(e) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if IAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under IAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under IAS 17. Although total cash flows are unaffected, the adoption of IFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement.

2 CHANGES IN ACCOUNTING POLICIES (continued)

(e) Impact on the financial result and cash flows of the group (continued)

The following tables may give an indication of the estimated impact of adoption of IFRS 16 on the Group's financial result and cash flows for the six months ended 30 June 2019, by adjusting the amounts reported under IFRS 16 in these interim financial statements to compute estimates of the hypothetical amounts that would have been recognised under IAS 17 since this superseded standard had continued to apply to 2019 instead of IFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under IAS 17.

	2019				2018
	Amounts reported under IFRS 16 (A) *RMB'000*	Add back: IFRS 16 depreciation and interest expense (B) *RMB'000*	Deduct: Estimated amounts related to operating leases as if under IAS 17 (note 1) (C) *RMB'000*	Hypothetical amounts for 2019 as if under IAS 17 (D=A+B-C) *RMB'000*	Compared to amounts reported for 2018 under IAS 17 *RMB'000*
Financial result for the six months ended 30 June 2019 impacted by the adoption of IFRS 16:					
Profit from operations	55,504	19,114	(19,530)	55,088	1,730
Finance costs	(2,317)	2,587	—	270	2,939
Profit before taxation	66,860	21,701	(19,530)	69,031	5,102
Profit for the period	70,425	21,701	(19,530)	72,596	4,775

2 CHANGES IN ACCOUNTING POLICIES (continued)

(e) Impact on the financial result and cash flows of the group (continued)

	2019			2018
	Amounts reported under IFRS 16 (A)	Estimated amounts related to operating leases as if under IAS 17 (notes 1 & 2) (B)	Hypothetical amounts for 2019 as if under IAS 17 (C=A+B)	Compared to amounts reported for 2018 under IAS 17
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Line items in the consolidated statement of cash flows for the six months ended 30 June 2019 impacted by the adoption of IFRS 16:				
Cash generated from operations	9,840	(20,580)	(10,740)	117,211
Net cash generated from operating activities	9,407	(20,580)	(11,173)	117,211
Capital element of lease rentals paid	(17,993)	17,993	—	—
Interest element of lease rentals paid	(2,587)	2,587	—	—
Net cash used in financing activities	(36,937)	20,580	(16,357)	2,500,466

Note 1: The "estimated amounts related to operating leases" is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if IAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under IAS 17, if IAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if IAS 17 still applied.

3 REVENUE

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

(i) Disaggregation of revenue

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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Talent acquisition services to business customers	**673,972**	544,077
Professional career services to individual paying users	**37,373**	33,641
Revenue from other sources		
Rental income from investment property	**1,081**	1,176
	712,426	578,894

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 2018 and 2019.

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 is presented.

4 OTHER INCOME

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Interest income from bank deposits	**44,251**	7,179
Investment income from wealth management products	**275**	1,419
Government grant	**820**	2,900
Others	**510**	871
	45,856	12,369

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (charging)/crediting:

	Six months ended 30 June 2019 RMB'000	2018 RMB'000
(a) Net finance (cost)/income		
Interest expenses on bank loans and other borrowings	**—**	(1,021)
Interest on lease liabilities	**(2,587)**	—
Foreign currency exchange gain	**767**	4,387
Bank charges and other finance costs	**(497)**	(427)
	(2,317)	2,939

	Six months ended 30 June 2019 RMB'000	2018 RMB'000
(b) Other items		
Depreciation charge		
— owned property, plant and equipment and investment property *(note 8)*	**7,136**	5,973
— right-of-use assets	**19,114**	—
Amortization of intangible assets	**1,947**	976
Impairment losses of trade receivables	**5,471**	2,550
Operating lease charge	**6,339**	22,989
Share issuance cost	**—**	42,645
Auditors' remuneration — Audit service	**2,000**	—

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2.

6 INCOME TAX

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Current tax and deferred tax	**3,565**	(327)
	3,565	(327)

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

7 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 RMB67,558 thousand (six months ended 30 June 2018: RMB2,947 thousand) and the weighted average of 517,373,221 ordinary shares (2018: 408,048,353) in issue during the interim period.

(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 RMB67,558 thousand (six months ended 30 June 2018: RMB2,947 thousand) and the weighted average number of ordinary shares of 544,850,174 (2018: 442,487,518).

8 INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

As discussed in note 2, the Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. In addition, the depreciated carrying amount of the finance leased assets which were previously included in property, plant and equipment is also identified as right-of-use assets. Further details on the net book value of the Group's right-of-use assets by class of underlying asset are set out in note 2.

During the six months ended 30 June 2019, the Group entered into a number of lease agreements for use of office premises, and therefore recognised the additions to right-of-use assets of RMB14,784 thousand.

8 INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2019, the Group acquired items of office equipment and others with a cost of RMB6,911 thousand (six months ended 30 June 2018: RMB9,583 thousand). Items of office equipment, and others with a net book value of RMB4 thousand were disposed of during the six months ended 30 June 2019 (six months ended 30 June 2018: RMB66 thousand), resulting in a loss on disposal of RMB1 thousand (six months ended 30 June 2018: RMB23 thousand).

9 PREPAID INVESTMENT

It mainly includes the prepaid investment with Changsha Ranxing Information Technology Co., Ltd. ("**Changsha Ranxing**") In March 2019, the Group entered into an investment proposal agreement with minority shareholder of Changsha Ranxing to purchase 61.23% shares of the company. In March 2019, the Group has paid a cash deposit in the amount of RMB21,000 thousand to minority shareholder of Changsha Ranxing. As of 30 June 2019, the transaction has not closed yet, and the amount of deposit was recorded as prepaid investment.

10 TRADE RECEIVABLES

	At 30 June 2019 *RMB'000*	At 31 December 2018 *RMB'000*
Trade receivables — measured at amortized cost	**58,717**	36,019

Ageing analysis

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

	At 30 June 2019 *RMB'000*	At 31 December 2018 *RMB'000*
Within 60 days	**37,616**	22,392
60 days to 1 year	**18,502**	11,566
Over 1 year	**2,599**	2,061
	58,717	36,019

11 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2019 RMB'000	At 31 December 2018 RMB'000
Prepayments to suppliers *(note)*	10,622	11,588
Other receivables	48,199	24,542
Interest receivable	45,457	35,987
	104,278	72,117

Note: On the date of transition to IFRS 16, accrued lease payments of RMB3,521 thousand previously included in "Prepayments to suppliers" were adjusted to right-of-use assets recognised at 1 January 2019. See note 2.

12 CASH AND CASH EQUIVALENTS

	At 30 June 2019 RMB'000	At 31 December 2018 RMB'000
Bank deposits with a maturity of three months or less	493,300	415,155
Demand deposits with banks	188,162	233,176
Cash on hand	3	—
Cash and cash equivalents	681,465	648,331

13 TRADE AND OTHER PAYABLES

	At 30 June 2019 RMB'000	At 31 December 2018 RMB'000
Trade payables to third parties *(note)*	25,969	31,384
Salary and welfare payable	59,019	85,481
Other tax payables	8,969	12,920
Other payables	45,406	21,840
	139,363	151,625

Note: On the date of transition to IFRS 16, accrued lease payments of RMB3,566 thousand previously included in "Trade payables to third parties" were adjusted to right-of-use assets recognised at 1 January 2019. See note 2.

13 TRADE AND OTHER PAYABLES (continued)

Ageing analysis

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

	At 30 June 2019 *RMB'000*	At 31 December 2018 *RMB'000*
Within 30 days	**24,946**	30,877
30 days to 1 year	**1,023**	507
	25,969	31,384

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividend attributable to the interim period has been declared and paid by the company.

(b) Shares held for RSU scheme

Pursuant to a resolution passed by the Board on 25 January 2019, the Company entered into a trust deed with Vistra Trust (Hong Kong) Limited (the "**RSU Trustee**") to assist with the administration of the RSU Scheme. On 28 February 2019, the Company directed Futureshare Limited, the special purpose vehicle established by the RSU Trustee to hold the shares under the RSU Scheme to purchase the shares of the Company to hold on trust for the benefit of the eligible participants pursuant to the terms and conditions of the RSU Scheme, the details of which are set out below:

Month/year	**Number of shares purchased**	**Highest Price paid Per share** *RMB*	**Lowest Price paid Per share** *RMB*	**Aggregate price paid** *RMB'000*
02/2019	1,000,000	18.75	18.75	18,751

The above shares held for RSU Scheme were regarded as treasury shares and a total amount paid on the held shares of RMB18,751 thousand had been deducted from shareholders' equity.

14 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) 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 (no share options were granted during the six months ended 30 June 2019). 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 on 29 June 2018. As of the six months ended 30 June 2019, certain options were exercised to subscribe for 7,749,417 ordinary shares with nominal value of USD0.0001 each. The total consideration was RMB1,414 thousand, RMB5 thousand of which was credited to share capital and RMB1,409 thousand was credited to share premium.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of liability-to-asset ratio, which is calculated as total liabilities divided by total assets. The liability-to-asset ratio of the Group as at 30 June 2019 was 22.34%.

The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group recognizes right-of-use assets and corresponding lease liabilities for almost all leases previously accounted for as operating leases as from 1 January 2019. This caused a significant increase in the Group's total debt and hence the Group's liability-to-asset ratio rose from 21.97% to 23.95% on 1 January 2019 when compared to its position as at 31 December 2018.

Considering the impact of the application of IFRS 16, during 2019, the Group reassessed the range at which it maintains its liability-to-asset ratio to be 20.41% to 22.34% (2018: 21.97% to 23.95%).

14 CAPITAL, RESERVES AND DIVIDENDS (continued)

(d) Capital management (continued)

The Group's liability-to-asset ratio at the end of the current and previous reporting periods and at the date of transition to IFRS 16 was as follows:

	Note	**At 30 June 2019** *RMB'000*	At 1 January 2019 *(Note)* *RMB'000*	At 31 December 2018 *(Note)* *RMB'000*
Current assets		**3,374,134**	3,419,490	3,423,011
Non-current assets		**421,081**	298,585	200,566
Total assets		**3,795,215**	3,718,075	3,623,577
Current liabilities		**795,406**	827,305	796,059
Non-current liabilities		**52,420**	63,252	—
Total liabilities		**847,826**	890,557	796,059
Liability-to-asset ratio		**22.34%**	23.95%	21.97%

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Under this approach, the comparative information is not restated. See note 2.

15 COMMITMENTS

(a) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	Properties *RMB'000*
Within 1 year	40,825
After 1 year but within 5 years	74,778
	115,603

The Group is the lessee in respect of a number office premises under leases which were previously classified as operating leases under IAS 17. The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 2.

16 MATERIAL RELATED PARTY TRANSACTIONS

		Amounts owed to the group by related parties		Amounts owed by the group to related parties	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Other receivable proceeds from executive director		2,913	—	—	—
Other receivable proceeds from share issued under share option	(i)	2,756	2,752	—	—

(i) The outstanding balances with these related parties are included in "Prepayments and other receivables" (note 11).

17 BUSINESS COMBINATION

(a) Combination of Xunhou

During the first half of 2019, the Group entered into an equity transfer agreement with Founder Zhuting, Hangzhou Enniu Network Technology Co., Ltd. ("**Hangzhou Enniu**") and Hangzhou Fanniu Investment Management Limited Partnership ("**Hangzhou Fanniu**") and a capital increase agreement with Shanghai Xunhou Human Resources Co., Ltd. (上海勛厚人力資源有限公司) ("**Xunhou**"), pursuant to which the Group agreed to acquire an additional 25.91% equity interest in Xunhou with a total cash consideration of RMB40.76 million.

As of 30 June 2019, the industrial and commercial modification procedures with Hangzhou Enniu and Hangzhou Fanniu have not been completed yet.

17 BUSINESS COMBINATION (continued)

(a) Combination of Xunhou (continued)

The following summarises the consideration transferred, and the provisional fair value of assets acquired and liabilities assumed at the acquisition date:

	At 30 April 2019 *RMB'000*
Property, plant and equipment	800
Intangible assets	5,200
Cash and cash equivalents	10,429
Trade receivables	3,413
Prepayments and other receivables	7,602
Trade and other payables	(2,382)
Others	615
Total identifiable net assets acquired	25,677
Add: Goodwill arising from the acquisition	56,236
Total consideration transferred	81,913
Satisfied by:	
Interest in associate	32,117
Consideration payable	13,504
Cash paid	27,256
Non-controlling interests	9,036
Total consideration transferred	81,913
Cash flow in respect of the acquisition:	
Cash paid by the Group	27,256
Less: Cash acquired	(10,429)
Net cash outflow in respect of the acquisition	16,827

The Goodwill of approximately RMB56,236 thousand arose in the acquisition of Xunhou because the purchase consideration included amounts in relation to the benefit of expected synergies, which cannot be recognised separately from goodwill because it does not meet the recognition criteria for identifiable intangible assets.

Since the acquisition, Xunhou contributed RMB5,667 thousand to the Group's revenue and loss of RMB543 thousand to the consolidated profit for the six months ended 30 June 2019.

17 BUSINESS COMBINATION (continued)

(a) Combination of Xunhou (continued)

Had the acquisition been completed on 1 January 2019, the Group's pro forma combined revenue and pro forma combined profits for the six months ended 30 June 2019 would have been RMB719,289 thousand and RMB62,916 thousand respectively. These pro forma combined figures are for inclusion in these financial statements and for illustrative purpose only. Because of their nature, these pro forma combined figures may not give a true picture of the financial position or results of the combined group that would have occurred had the acquisition actually been completed at the commencement of the reporting period, nor is intended to be a projection of the future prospects of the combined group.

Acquisition-related costs

The Group incurred transaction costs of RMB200 thousand for the acquisition. These transaction costs have been expensed and also included in administrative expenses in the interim consolidated statement of profit or loss.

Fair values measured on a provisional basis

The following amounts have been measured on a provisional basis.

The fair value of intangible assets (right to use the brands) has been measured provisionally, pending completion of an independent valuation.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

(b) Combination of Liepin Kaipusi

On 31 May 2019, the Group entered into an equity transfer agreement with Liepin Kaipusi (Tianjin) Information Technology Co., Ltd (獵聘凱普斯(天津)信息技術有限公司) ("**Liepin Kaipusi**"), pursuant to which the Group agreed to acquire approximately 71.2% equity interest in Liepin Kaipusi with a total cash consideration of RMB22 million. The acquisition was completed on 31 May 2019. As a result, Liepin Kaipusi became a subsidiary of the Group held as to approximately 71.2% by the Group.

17 BUSINESS COMBINATION (continued)

(b) Combination of Liepin Kaipusi (continued)

The following summarises the consideration transferred, and the provisional fair value of assets acquired and liabilities assumed at the acquisition date:

	At 31 May 2019 *RMB'000*
Property, plant and equipment	29
Intangible assets	3,200
Trading receivables	2,775
Prepayments and other receivables	13,000
Total identifiable net assets acquired	19,004
Add: Goodwill arising from the acquisition	8,979
Total consideration transferred	27,983
Satisfied by:	
Consideration payable	4,510
Cash paid	18,000
Non-controlling interests	5,473
Total consideration transferred	27,983
Cash flow in respect of the acquisition:	
Cash paid by the Group	18,000
Less: Cash acquired	—
Net cash outflow in respect of the acquisition	18,000

The Goodwill of approximately RMB8,979 thousand arose in the acquisition of Liepin Kaipusi because the purchase consideration included amounts in relation to the benefit of expected synergies, which cannot be recognised separately from goodwill because it does not meet the recognition criteria for identifiable intangible assets.

Since the acquisition, Liepin Kaipusi contributed no revenue to the Group's revenue and loss of RMB53 thousand to the consolidated profit for the six months ended 30 June 2019.

17 BUSINESS COMBINATION (continued)

(b) Combination of Liepin Kaipusi (continued)

Had the acquisition been completed on 1 January 2019, the Group's pro forma combined revenue and pro forma combined profits for the six months ended 30 June 2019 would have been RMB719,510 thousand and RMB70,180 thousand respectively. These pro forma combined figures are for inclusion in these financial statements and for illustrative purpose only. Because of their nature, these pro forma combined figures may not give a true picture of the financial position or results of the combined group that would have occurred had the acquisition actually been completed at the commencement of the reporting period, nor is intended to be a projection of the future prospects of the combined group.

Acquisition-related costs

The Group incurred transaction costs of RMB150 thousand for the acquisition. These transaction costs have been expensed and also included in administrative expenses in the interim consolidated statement of profit or loss.

Fair values measured on a provisional basis

The following amounts have been measured on a provisional basis.

The fair value of intangible assets (right to use the brands) has been measured provisionally, pending completion of an independent valuation.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

18 COMPARATIVE FIGURES

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective method. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2.