51 CREDIT CARD INC.

51 信 用 卡 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Financial Highlights

- Revenue for the six months ended 30 June 2018 was RMB1,275.3 million, increased by 50.5% as compared to RMB847.5 million for the corresponding period in 2017.

- Profit for the six months ended 30 June 2018 was RMB2,086.3 million compared with a loss of RMB330.1 million for the corresponding period in 2017.

- Adjusted net profit for the six months ended 30 June 2018 was RMB254.1 million, increased by 48.9% as compared to RMB170.7 million for the corresponding period in 2017.

- No interim dividend was declared for the six months ended 30 June 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

51 Credit Card Inc. (the "**Company**" or "**We**") has created a comprehensive ecosystem built upon a widely-used credit card management platform, 51 Credit Card Manager App ("**51 Credit Card Manager App**", our main mobile application for credit card management and a full spectrum of other services offered by us). We are endowed with competitive advantages by owning a highly valuable user base. Most of our users have multiple credit cards. They are credit active, accustomed to higher level of consumption and are willing to pay interest to satisfy their consumption needs. We have also accumulated a wealth of valuable data through our credit card management services, which includes credit card transaction records from different banks, consumption history across different users' cases, and repayment data through users' life cycles. We offer various services to our users on the platform, including personal credit management, credit card technology, and online credit facilitation and investment.

As of 30 June 2018, the number of cumulative registered users of 51 Credit Card Manager App grew to 68.9 million from 62.0 million as of 31 December 2017. For the six months ended 30 June 2018, we facilitated credit card repayment transactions totaling RMB115.8 billion, representing growth of 257.8% year on year. We believe that our unique business model of attracting credit card holders and converting them to enjoy the various comprehensive services we provide is highly competitive and has great growth potential.

	For the six months ended 30 June				Year on year change
	2018		2017		
	RMB'000	**% of revenue**	RMB'000	% of revenue	%
Revenue	**1,275,279**	**100%**	847,477	100.0%	50.5%
Credit facilitation and service fee	**934,062**	**73.2%**	689,888	81.4%	35.4%
Credit card technology service fee	**116,259**	**9.1%**	45,381	5.4%	156.2%
Loan referral service fee	**84,014**	**6.6%**	61,535	7.3%	36.5%
Other revenue	**140,944**	**11.1%**	50,673	5.9%	178.1%
Profit/(loss) for the period	**2,086,291**		(330,106)		N/A
Adjusted net profit for the period	**254,148**		170,653		48.9%

In the first quarter of 2018, we observed that the online personal credit market has experienced short-term volatilities after the implementation of relevant national policies at the end of 2017, especially in the small-amount short-duration sector. We therefore proactively adopted a more conservative strategy and limited the loan facilitation volume for our loan products. In the second quarter, we gradually increased our loan facilitation volume while maintaining our focus on serving credit card holders, which enables us to achieve a 35.4% growth in credit facilitation and service fee for the six months ended 30 June 2018 year on year.

In addition, we have also seen substantial growth in our credit card technology services fee, which was mainly due to the increase of our high-value-added technology services provided to medium-sized banks through our co-branding credit cards, the increase in users' demand for new credit cards that suit their needs and the increase in the number of banks we co-operate with.

Consequently, our revenue generated from credit card technology service as a percentage of total revenue increased to 9.1% for the six months ended 30 June 2018 from 5.4% for the corresponding period in 2017. Our revenue generated from credit facilitation and service decreased to 73.2% for the six months ended 30 June 2018 from 81.4% for the corresponding period in 2017.

Key operating metrics

	As of 30 June 2018	As of 31 December 2017
Number of registered users of 51 Credit Card Manager App	**68.9 million**	62.0 million
Number of credit cards we have managed cumulatively	**118.6 million**	106.3 million

	For the six months ended 30 June	
	2018	2017
Transaction volume of repayment of credit card bills and other liabilities through the 51 Credit Card Manager App	**RMB116.4 billion**	RMB32.5 billion
Volume of loan facilitated targeting credit card holders	**RMB11,539.3 million**	RMB10,517.2 million
Number of credit cards issued through us	**1.4 million**	0.8 million

Funding sources of our loan products

	For the six months ended 30 June			
	2018 RMB	**%**	2017 RMB	%
Investors of 51 Renpin	**11,888.3 million**	**91.5%**	11,553.5 million	84.1%
Institutions	**1,099.5 million**	**8.5%**	2,186.5 million	15.9%
Total	**12,987.8 million**	**100.0%**	13,740.0 million	100.0%

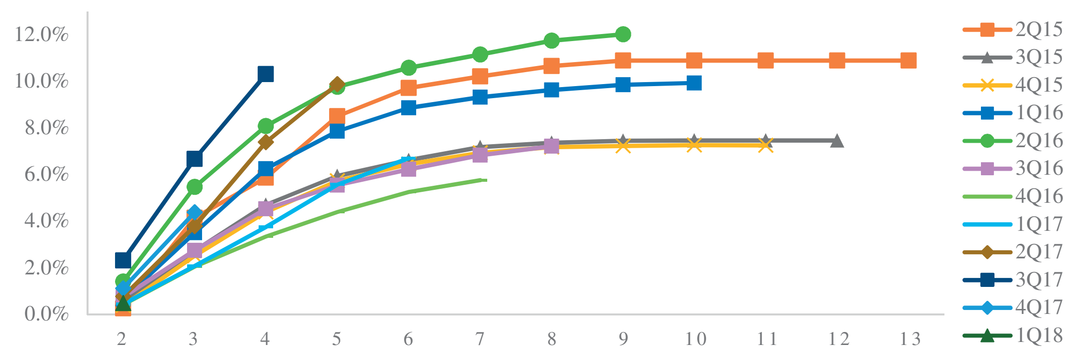
Note: 51 Renpin refers to our online investment products.

The funding from our institutional funding partners was under review to comply with new regulatory requirements in the first quarter of 2018. We successfully obtained a financing guarantee licence in April 2018, and progressively established or resumed cooperation with various funding partners including consumer finance companies, trusts, banks and other P2P platforms since the second quarter of 2018. We expect to further explore cooperation with institutional funding partners.

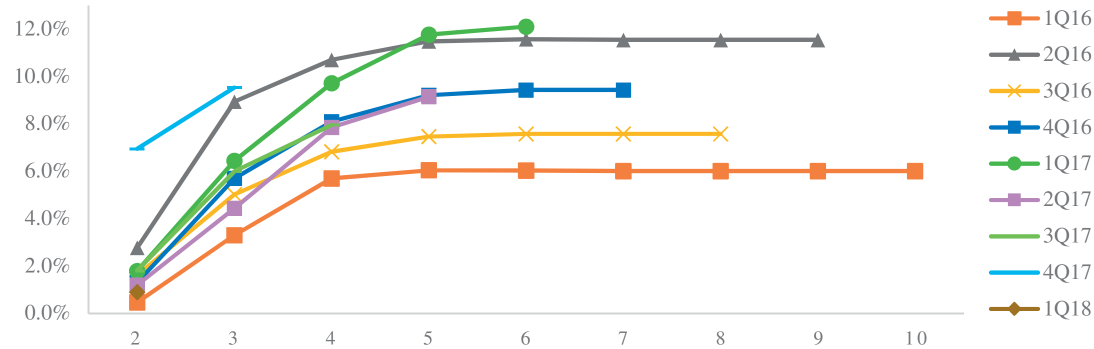
Key metrics of our loan products

	Loan products targeting credit card holders For the six months ended 30 June		Loan products targeting non-credit card holders For the six months ended 30 June	
	2018	2017	**2018**	2017
Volume of loan facilitated	**RMB11,539.3 million**	RMB10,517.2 million	**RMB1,448.5 million**	RMB3,222.8 million
Number of borrowers	**0.47 million**	0.45 million	**0.3 million**	0.7 million
Average loan size	**RMB15.4 thousand**	RMB18.0 thousand	**RMB4.5 thousand**	RMB3.9 thousand
Average term of loan	**14.5 months**	13.8 months	**9.9 months**	10.2 months

The following chart displays the historical cumulative 90-day plus past due delinquency rates by vintage for loan products targeting credit card holders up to 30 June 2018:



The following chart displays the historical cumulative 90-day plus past due delinquency rates by vintage for loan products targeting non-credit card holders up to 30 June 2018:



From the first quarter to the second quarter of 2018, our total revenue grew from RMB466.7 million to RMB808.6 million, and our adjusted net profit grew from RMB28.3 million to RMB225.8 million, representing growth of 73.3% and 697.9%, respectively quarter on quarter. Such rapid increase is mainly attributable to growth in our businesses, including loan facilitation and services, credit card technology services rendered through our co-branding credit cards and loan referral services.

OUTLOOK

According to the People's Bank of China, the number of credit cards in use in China has reached 638 million as of 30 June 2018, representing a 8.5% increase from 588 million as of 31 December 2017. We believe the penetration of credit card service in China will continue in the second half of 2018 and will benefit our user base expansion and business growth.

We will put more emphasis on strengthening cooperation with financial institutions. On the one hand, we will further develop services and products in our ecosystem that enable us to deepen such cooperation, especially credit card technology services including co-branding credit cards. On the other hand, we will also explore business opportunities in partnering with financial institutions to provide credit to our users. We will continue making efforts in development of more products and services, including loan products with diversified features, that suit the needs of our users. We have been investing in research and development in technologies. We will further strengthen our technology capabilities by optimizing our proprietary big data analysis model in areas like precision marketing and credit assessment.

In mid-2018, some smaller non-compliant wealth management companies and P2P companies exited the market in a sudden and disorderly manner, which casted a temporary negative impact on the confidence of some individual investors on our platform, which then impacted funding of our loan facilitation services recently.

In the meantime, we have also seen some encouraging industry updates. For example, national guidance on rectification of P2P platforms and 108 detailed rules have been recently issued by the Head Office for Special Rectification of Peer-to-Peer Online Lending (the "**Rectification Office**"). The Rectification Office also issued a notice stating that information of borrowers who default on loans should be submitted and such information will be included in the national credit system. The formalization of these regulations and the adoption of these measures demonstrate the national government's support of healthy development of P2P industry, and we believe short-term industry consolidation will pave the way for longer term prosperity.

FINANCIAL INFORMATION

The board (the "**Board**") of directors (the "**Directors**") of 51 Credit Card Inc. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2018, together with the comparative figures for the corresponding period in 2017 as below.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Note	**For the six months ended 30 June 2018** *RMB'000* **(Unaudited)**	2017 *RMB'000* (Unaudited)
Credit facilitation and service fee	3	**934,062**	689,888
Credit card technology service fee		**116,259**	45,381
Loan referral service fee		**84,014**	61,535
Other revenue	4	**140,944**	50,673
Total revenue		**1,275,279**	847,477
Origination and servicing expenses	5	**(345,270)**	(175,428)
Sales and marketing expenses	5	**(283,831)**	(194,744)
General and administrative expenses	5	**(188,878)**	(52,419)
Research and development expenses	5	**(171,218)**	(105,451)
Other (losses)/gains, net	6	**(127,302)**	19,251
Total operating expenses		**(1,116,499)**	(508,791)
Operating profit		**158,780**	338,686
Share of net gain/(loss) of associates accounted for using equity method		**720**	(1,198)
Fair value gain/(loss) of preferred shares		**1,905,589**	(489,474)
Fair value gain of financial liabilities designated at fair value through profit or loss		**33,805**	—
Finance expenses, net		**(15,477)**	(5,555)
Profit/(loss) before income tax		**2,083,417**	(157,541)
Income tax credit/ (expense)	7	**2,874**	(172,565)
Profit/(loss) for the period		**2,086,291**	(330,106)
Profit/(loss) for the period attributable to:			
– Owners of the Company		**2,087,657**	(330,106)
– Non-controlling interests		**(1,366)**	—

	Note	For the six months ended 30 June 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Other comprehensive (loss)/income			
Items that may not be reclassified to profit or loss			
Currency translation differences		**(33,208)**	786
Change in fair value attributable to change in the credit risk of preferred shares		**(16,990)**	N/A
Change in fair value attributable to change in the credit risk of other financial libilities designated at fair value through profit or loss		**(517)**	N/A
Total comprehensive income/(loss) for the period, net of tax		**2,035,576**	(329,320)
Total comprehensive income/(loss) attributable to:			
– Owners of the Company		**2,036,321**	(329,320)
– Non-controlling interests		**(745)**	—
Basic earnings/(loss) per share	8	**11.38**	(1.92)
Diluted earnings/(loss) per share	8	**8.18**	(1.92)

The above condensed consolidated interim statement of comprehensive income/(loss) should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	**30 June 2018** *RMB'000* **(Unaudited)**	31 December 2017 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment, net		**238,267**	222,066
Intangible assets		**1,030,345**	1,026,771
Investments accounted for using equity method		**151,352**	145,732
Financial assets designated at fair value through profit or loss		**426,918**	425,093
Deferred income tax assets		**223,338**	104,556
Term deposits		**5,000**	5,000
Total non-current assets		**2,075,220**	1,929,218
Current assets			
Quality assurance fund receivable	9	**891,373**	1,407,981
Contract assets	10	**731,663**	22,692
Trade receivables	11	**108,832**	59,957
Prepayments and other receivables		**605,842**	355,799
Loans to customers, net		**440,334**	948,987
Financial assets designated at fair value through profit or loss		**429,022**	334,471
Restricted cash		**1,161,697**	1,407,491
Cash and cash equivalents		**1,364,700**	1,258,446
Total current assets		**5,733,463**	5,795,824
Total assets		**7,808,683**	7,725,042

	Note	30 June 2018	31 December 2017
		RMB'000	*RMB'000*
		(Unaudited)	
DEFICIT AND LIABILITIES			
Deficit			
Share capital		**25**	20
Share premium		**33,134**	33,134
Share held for employee incentive scheme		**(14)**	(9)
Reserves		**(161,200)**	(214,433)
Accumulated losses		**(2,366,221)**	(4,403,224)
Non-controlling interests		**198**	2,956
Total deficit		**(2,494,078)**	(4,581,556)
Liabilities			
Non-current liabilities			
Long-term borrowings		**434,833**	436,196
Preferred shares	12	**4,939,854**	6,815,260
Payable to trust senior tranche holders		**521,056**	950,000
Deferred income tax liabilities		**233,080**	176,886
Total non-current liabilities		**6,128,823**	8,378,342

	Note	**30 June 2018**	31 December 2017
		RMB'000	*RMB'000*
		(Unaudited)	
Current liabilities			
Quality assurance fund payable	9	**1,080,862**	1,767,210
Payable to platform customers		**1,042,072**	656,422
Contract liabilities	10	**59,884**	49,714
Payable to preferred shareholders		**—**	30,000
Short-term borrowings		**229,900**	257,057
Trade and other payables		**1,614,326**	963,351
Income tax payable		**12,239**	36,042
Financial liabilities at fair value through profit or loss		**134,655**	168,460
Total current liabilities		**4,173,938**	3,928,256
Total liabilities		**10,302,761**	12,306,598
Total deficit and liabilities		**7,808,683**	7,725,042

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of presentation

The interim financial information for the six months ended 30 June 2018 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim financial reporting" issued by the International Accounting Standards Board ("**IASB**"). The interim financial information should be read in conjunction with the consolidated financial statements for the years ended 31 December 2015, 2016 and 2017, which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim financial information are consistent with those set out in the consolidated financial statements for the years ended 31 December 2015, 2016 and 2017, except for the adoption of IFRS 9, "Financial Instruments" from 1 January 2018 as described below.

Changes in accounting policy and disclosures

The Group has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognized in the financial statements. The Group did not early adopt any of IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening accumulated losses of the current period.

Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 "Financial Instruments: Disclosures".

(a) IFRS 9 "Financial Instruments" — Impact of adoption

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Group.

The total impact of the adoption of IFRS 9 on the Group's accumulated losses as at 1 January 2018 is as follows:

	Accumulated losses
	RMB'000
Closing accumulated losses as at 31 December 2017- IAS 39	**4,403,224**
Increase in impairment provision for contract assets (Note iii)	776
Increase in impairment provision for financial assets at amortized cost (Note iii)	95,793
Decrease in quality assurance fund payable with adoption of IFRS 9 (Note iii)	(10,828)
Adjustment from adoption of IFRS 9 on 1 January 2018, before income tax	85,741
Income tax effect	(35,087)
Adjustment to accumulated losses from adoption of IFRS 9 on 1 January 2018, net of tax	50,654
Opening accumulated losses of 1 January 2018 - IFRS 9	**4,453,878**

(i) Classification and measurement of financial instruments

The measurement category and the carrying amount of assets and liabilities in accordance with IAS 39 and IFRS 9 as at 1 January 2018 are compared as follows:

	IAS 39		IFRS 9	
Financial assets	**Measurement category**	**Carrying amount** *RMB'000*	**Measurement category**	**Carrying amount** *RMB'000*
Financial assets designated at fair value through profit or loss	FVTPL	425,093	FVTPL	425,093
Quality assurance fund receivable	Amortized cost (Loans and receivables)	1,407,981	Amortized cost	1,361,021
Trade receivables	Amortized cost (Loans and receivables)	59,957	Amortized cost	59,881
Prepayments and other receivables	Amortized cost (Loans and receivables)	355,799	Amortized cost	355,577
Loans to customers, net	Amortized cost (Loans and receivables)	948,987	Amortized cost	900,452
Restricted cash	Amortized cost	1,407,491	Amortized cost	1,407,491
Cash and cash equivalents	Amortized cost	1,258,446	Amortized cost	1,258,446

Financial liabilities

There was no change to the classification and measurement of financial liabilities, other than changes in the fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes in the instrument's credit risk, which are now presented in other comprehensive income.

(ii) ***Reconciliation of financial assets and liabilities balances from IAS 39 to IFRS 9***

The Group revised its impairment methodology using expected credit loss ("**ECL**") model under IFRS 9 for each class of financial assets and financial guarantee contracts (i.e. quality assurance fund payable). The Group performed a detailed analysis of its business models for managing assets and analysis of their cash flow characteristics.

The following table reconciles the carrying amounts of assets, from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on 1 January 2018:

	IAS 39 carrying amount 31 December 2017	**Remeasurement difference-impairment allowance**	**IFRS 9 carrying amount 1 January 2018**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at amortized costs			
– Restricted cash	1,407,491	—	1,407,491
– Cash and cash equivalents	1,258,446	—	1,258,446
– Trade receivables	59,957	(76)	59,881
– Prepayments and other receivables	355,799	(222)	355,577
– Loans to customers, net	948,987	(48,535)	900,452
– Quality assurance fund receivable	1,407,981	(46,960)	1,361,021
Total financial assets measured at amortized cost	5,438,661	(95,793)	5,342,868

	IAS 39 carrying amount 31 December 2017	Remeasurement difference	IFRS 9 carrying amount 1 January 2018
	RMB'000	*RMB'000*	*RMB'000*
Fair value through profit or loss (FVTPL)			
– Financial assets designated at fair value through profit or loss	425,093	—	425,093
Total financial assets measured at FVTPL	425,093	—	425,093
Financial liabilities			
Quality assurance fund payable	(1,767,210)	10,828	(1,756,382)

(iii) Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with IFRS 9 is ECL model as at 1 January 2018:

Measurement category	Impairment loss allowance under IAS 39	Remeasurement difference	Expected credit loss allowance under IFRS 9
	RMB'000	*RMB'000*	*RMB'000*
Non-financial asset			
Contract assets	1,933	776	2,709
Loans and receivables (IAS 39)/ financial assets at amortized cost (IFRS 9)			
Trade receivables	—	76	76
Prepayments and other receivables	—	222	222
Loans to customers, net	101,772	48,535	150,307
Quality assurance fund receivable	331,264	46,960	378,224
	433,036	95,793	528,829
Financial guarantee contracts			
Quality assurance fund payable	1,767,210	(10,828)	1,756,382

3. CREDIT FACILITATION AND SERVICE FEE

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Upfront credit facilitation service fee	**588,965**	455,438
Post credit facilitation service fee	**345,097**	234,450
	934,062	689,888

Note: The unsatisfied performance obligation as at 30 June 2018 is approximately RMB851,312,000. Management expects that 79.57% of the transaction price allocated to the unsatisfied contracts as at 30 June 2018 will be recognized as revenue within the next twelve months.

4. OTHER REVENUE

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income of loans to customers	**61,983**	26,734
Overdue charges	**32,116**	19,588
Others	**46,845**	4,351
	140,944	50,673

5. EXPENSES BY NATURE

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**355,466**	175,304
Marketing and advertising fees	**272,322**	187,765
Fund transfer charges	**100,282**	71,004
External technical service fee	**96,627**	22,898
Listing expenses	**34,781**	–
Depreciation and amortization	**30,147**	7,957
Loan referral service expense	**19,151**	24,522
Office expenses	**17,282**	12,634
Professional service fee	**12,421**	5,326
Others	**50,718**	20,632
	989,197	528,042

Note: Incremental costs to obtain arrangements where the Group is not the loan originator are generally expensed off when incurred, because the amortization period of these incremental costs is one year or less. These costs are recorded as sales and marketing expenses.

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value (loss)/gain on financial assets designated at fair value through profit or loss	**(19,342)**	4,851
Dividend income from an investee	**11,270**	—
Fair value loss on forward foreign exchange contracts	**—**	(13,083)
Quality assurance fund gain	**3,685**	27,103
Government grants	**913**	15,233
Interest expenses to trust senior tranche holders	**(32,677)**	(3,893)
Impairment loss	**(93,665)**	(7,875)
Others	**2,514**	(3,085)
	(127,302)	19,251

7. INCOME TAX EXPENSE/(CREDIT)

The income tax expenses of the Group during the periods presented are analysed as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**24,664**	154,213
Deferred income tax	**(27,538)**	18,352
	(2,874)	172,565

8. EARNINGS/(LOSS) PER SHARE

In March 2018, the Company subdivided each of its issued and unissued ordinary share and preferred share of a par value of US$0.0001 into 10 shares of a par value of US$0.00001 each. Earnings/(loss) per share presented in these consolidated financial statements have been revised on a retrospective basis to reflect the effect of the share split. The par value per share and share numbers in the other notes of the financial information have been retrospectively revised.

(a) Basic earnings/(loss) per share is calculated by dividing the income/(loss) of the Group attributable to owners of the Group by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Group (RMB'000)	**2,087,657**	(330,106)
Weighted average number of ordinary shares in issue	**183,417,293**	171,538,870
Basic earnings/(loss) per share (expressed in RMB)	**11.38**	(1.92)

(b) Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the six months ended 30 June 2017, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2017 is the same as basic loss per share .

For the six months ended 30 June 2018, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and restricted share units ("**RSUs**") granted by the Company (collectively forming the denominator for computing diluted earnings per share). No adjustment is made to earnings (numerator).

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Group (RMB'000)	**2,087,657**	(330,106)
Weighted average number of ordinary shares in issue	**183,417,293**	171,538,870
Adjustments for share options and RSUs granted to employees	**71,718,863**	—
Weighted average number of ordinary shares for calculation of diluted earnings/(loss) per share	**255,136,156**	171,538,870
Diluted earnings/(loss) per share (expressed in RMB)	**8.18**	(1.92)

9. QUALITY ASSURANCE FUND PAYABLE AND RECEIVABLE

The following table sets forth the Group's quality assurance fund payable's movements for the six months ended 30 June 2017 and 2018:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Opening balance	**1,756,382**	706,612
Fair value of newly written quality assurance obligation	**1,001,235**	1,127,305
Expected credit loss	**28,509**	N/A
Release of the margin	**(64,436)**	(72,961)
Payouts during the period, net	**(1,640,828)**	(341,706)
Ending balance	**1,080,862**	1,419,250

The following table sets forth the Group's quality assurance fund receivable movements for the six months ended 30 June 2017 and 2018:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Opening balance	**1,361,021**	576,921
Fair value of newly written quality assurance obligation	**1,001,235**	1,127,305
Impairment loss	**N/A**	(45,858)
Expected credit loss (a)	**(32,242)**	N/A
Contribution received from borrowers	**(1,438,641)**	(455,726)
Ending balance	**891,373**	1,202,642

(a) The following table explains the changes in the loss allowance by stage for the six months ended 30 June 2018:

	Stage 1 12-month ECL RMB'000 (Unaudited)	Stage 2 Lifetime ECL RMB'000 (Unaudited)	Stage 3 Lifetime ECL RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Opening balance	**116,509**	**39,803**	**158,565**	**314,877**
Provisions	**13,598**	**1,010**	**112,804**	**127,412**
Reversal	**(79,498)**	**(14,589)**	**(1,083)**	**(95,170)**
Transfer				
Transfer from Stage 1 to Stage 2	**(10,604)**	**10,604**	**—**	**—**
Transfer from Stage 1 to Stage 3	**(10,194)**	**—**	**10,194**	**—**
Transfer from Stage 2 to Stage 1	**6,371**	**(6,371)**	**—**	**—**
Transfer from Stage 2 to Stage 3	**—**	**(20,502)**	**20,502**	**—**
Transfer from Stage 3 to Stage 2	**—**	**135**	**(135)**	**—**
Ending balance	**36,182**	**10,090**	**300,847**	**347,119**

10. CONTRACT ASSETS/(LIABILITIES)

	30 June 2018 ***RMB'000*** **(Unaudited)**	31 December 2017 *RMB'000*
Contract assets	**787,997**	24,625
Less: Impairment allowance	**N/A**	(1,933)
Expected credit impairment allowance	**(56,334)**	N/A
Contract assets, net	**731,663**	22,692
Contract liabilities	**(59,884)**	(49,714)

The activity in the total impairment allowance for the six months ended 30 June 2017 and 2018 consisted of the following:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Beginning balance	**(1,933)**	(103)
Changes on initial application of IFRS 9	**(776)**	N/A
Provisions for the period	**(53,625)**	(2,940)
Ending balance	**(56,334)**	(3,043)

Note: The Group receives payments from borrowers over the term of the loan. Contract asset represents the Group's right to consideration in exchange for services that the Group has provided. A substantial majority of the Group's contract assets as at 30 June 2018 would be realized within the next twelve months as the weighted average term of the arrangements where the Group is not the loan originator were less than twelve months. The Group determined there is no significant financing component for its arrangements where the Group is not the loan originator.

11. TRADE RECEIVABLES

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	
Loan referral and credit card technology service receivables	**106,774**	56,599
Others	**2,192**	3,358
	108,966	59,957
Expected credit impairment allowance	**(134)**	N/A
Trade receivables, net	**108,832**	59,957

The activity in the total expected credit impairment allowance for the six months ended 30 June 2017 and 2018 consisted of the following:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Beginning balance	**—**	—
Changes on initial application of IFRS 9	**(76)**	N/A
Provisions for the period	**(58)**	—
Ending balance	**(134)**	—

Aging analysis of trade receivables based on invoice date is as follows:

	30 June 2018 *RMB'000* **(Unaudited)**	31 December 2017 *RMB'000*
Within 30 days:		
Loan referral and credit card technology service receivables	**85,821**	53,621
Others	**116**	2,196
More than 30 days:		
Loan referral and credit card technology service receivables	**20,821**	2,978
Others	**2,074**	1,162
	108,832	59,957

12. PREFERRED SHARES

In March 2018, the Company effected a share split. Each of the ordinary share and preferred share of the Company was subdivided into 10 shares at a par value of US$0.00001, such that Class A ordinary shares, Class B ordinary shares, Series A1 preferred shares, Series A2 preferred shares, Series B preferred shares, Series B1 preferred shares and Series C preferred shares were divided into 384,775,522 shares, 28,635,000 shares, 16,206,000 shares, 11,934,000 shares, 46,665,000 shares, 109,217,000 shares and 470,891,000 shares, respectively.

The management monitors the Company's preferred shares and Class B ordinary shares on a fair value basis which is in accordance with the Group's risk management strategy. No embedded derivative is bifurcated from the host instruments (i.e. the preferred shares) and all preferred shares are designated as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the condensed consolidated interim statement of comprehensive income.

In July 2018, upon the completion of the initial pubic offering of the Company ("**IPO**"), all of the convertible redeemable preferred shares and Class B ordinary shares were converted into ordinary shares. As the IPO is close to 30 June 2018, fair value of each of convertible redeemable preferred shares and Class B ordinary shares as of 30 June 2018 approximate to the offering price of HK$8.5 per ordinary share in the IPO.

The movement of the preferred shares is set out as below:

	RMB'000
(Unaudited)	
As at 1 January 2017	4,105,301
Changes in fair value of preferred shares	489,474
As at 30 June 2017	4,594,775
(Unaudited)	
As at 1 January 2018	6,815,260
Changes in fair value of preferred shares except for the change in the credit risk of the preferred shares	(1,905,589)
Changes in fair value attributable to change in the credit risk of preferred shares	16,990
Currency translation differences	13,193
As at 30 June 2018	4,939,854

13. DIVIDENDS

No dividend had been paid or declared by the Company during the six months ended 30 June 2018.

14. COMMITMENTS

The Group leases offices under non-cancellable operating leases agreements. The lease terms are between 1 to 5 years, and the majority of lease agreements are renewable at the end of the lease at market rate.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2018 ***RMB'000*** **(Unaudited)**	31 December 2017 *RMB'000*
Not later than 1 year	**22,387**	22,104
Later than 1 year and not later than 5 years	**29,629**	40,524
	52,016	62,628

15. SUBSEQUENT EVENTS

On 13 July 2018, the Company successfully completed the IPO with 118,703,000 shares offered at HK$8.5 per share and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). All preferred shares and Class B ordinary shares of the Company were converted into ordinary shares upon completion of the IPO on 13 July 2018. In addition, the Company issued and allotted 7,399,000 ordinary shares on 10 August 2018 pursuant to the partial exercise of the over-allotment option as disclosed in the prospectus dated 29 June 2018 issued by the Company. The net proceeds received by the Company were approximately HK$1,049,553,000 after deducting related underwriting fees and expenses.

FINANCIAL REVIEW

Revenue

Our total revenue increased by 50.5% from RMB847.5 million for the six months ended 30 June 2017 to RMB1,275.3 million for the six months ended 30 June 2018.

Credit facilitation and service fee increased by 35.4% from RMB689.9 million for the six months ended 30 June 2017 to RMB934.1 million for the six months ended 30 June 2018. We generally collect credit facilitation service fee from borrowers according to the pre-confirmed fee schedules, recognize in our financial statements the upfront credit facilitation service fee at the inception of the loan and post credit facilitation service fee over the loan period. The credit facilitation service fee growth is mainly attributable to the increase in volume of loans facilitated targeting credit card holders. The following table sets forth a breakdown of our credit facilitation and service fee.

	For the six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Upfront credit facilitation service fee	**588,965**	455,438
Post credit facilitation service fee	**345,097**	234,450
	934,062	689,888

Credit card technology service fee increased by 156.2% from RMB45.4 million for the six months ended 30 June 2017 to RMB116.3 million for the six months ended 30 June 2018, mainly because of the increase in the number of credit cards issued to our users through us and the increase in fees rendered in providing technology services through our co-branding credit cards to cooperating banks.

Our loan referral service fee increased by 36.5% from RMB61.5 million for the six months ended 30 June 2017 to RMB84.0 million for the six months ended 30 June 2018, primarily driven by the increase in the total volume of loans we referred to third-party business partners.

Other revenue increased by 178.0% from RMB50.7 million for the six months ended 30 June 2017 to RMB140.9 million for the six months ended 30 June 2018, mainly represents RMB35.2 million increase of interest income of loans to customers recognized on our on-balance sheet loans mainly issued by trusts we established, and RMB55.0 million of increase in overdue charges and others.

Operating expenses

Our operating expenses increased by 119.4% from RMB508.8 million for the six months ended 30 June 2017 to RMB1,116.5 million for the six months ended 30 June 2018.

The share-based compensation expenses increased by 541.6% from RMB11.3 million for the six months ended 30 June 2017 to RMB72.5 million for the six months ended 30 June 2018, and the listing expense increased from nil for the six months ended 30 June 2017 to RMB34.8 million for the six months ended 30 June 2018. As a result, the adjusted operating expenses increased by 102.9% from RMB497.5 million for the six months ended 30 June 2017 to RMB1,009.2 million for the six months ended 30 June 2018.

Adjusted operating expenses

	For the six months ended 30 June	
	2018	2017
	(in thousands of RMB)	
Operating expenses	**(1,116,499)**	(508,791)
Adjusted for:		
Share-based compensation expenses	**72,470**	11,285
Listing expense	**34,781**	—
Adjusted operating expenses	**(1,009,248)**	(497,506)

Origination and servicing expenses increased by 96.8% from RMB175.4 million for the six months ended 30 June 2017 to RMB345.3 million for the six months ended 30 June 2018, primarily represents (i) an increase by 97.3% to RMB87.2 million in employee benefit expenses for the six months ended 30 June 2018 from RMB44.2 million for the corresponding period in 2017 due to increased headcount and employee's salary level, (ii) an increase by 321.8% to RMB96.6 million in external technical service fee for the six months ended 30 June 2018 from RMB22.9 million for the corresponding period in 2017 due to increased demand for third party services such as loan collection services, and (iii) an increase by 41.3% to RMB100.3 million in fund transfer charges for the six months ended 30 June 2018 from RMB71.0 million for the corresponding period in 2017 due to larger credit card repayment volume.

Sales and marketing expenses increased by 45.7% from RMB194.7 million for the six months ended 30 June 2017 to RMB283.8 million for the six months ended 30 June 2018. The increase was primarily due to an increase by 45.0% to RMB272.3 million in marketing and advertising for the six months ended 30 June 2018 from RMB187.8 million for the corresponding period in 2017 as a result of increased efforts associated with online user acquisition.

General and administrative expenses increased by 260.5% from RMB52.4 million for the six months ended 30 June 2017 to RMB188.9 million for the six months ended 30 June 2018, mainly represents (i) an increase by 790.6% to RMB47.2 million in professional service fee for the six months ended 30 June 2018 from RMB5.3 million for the corresponding period in 2017 due to increase in listing expenses, and (ii) an increase by 272.6% to RMB115.5 million in employee benefit expenses for the six months ended 30 June 2018 from RMB31.0 million for the corresponding period in 2017 as a result of increased headcount and employee's salary level, including the increase of RMB61.2 million of share-based compensation expenses.

Research and development expenses increased by 62.3% from RMB105.5 million for the six months ended 30 June 2017 to RMB171.2 million for the six months ended 30 June 2018, primarily due to an increase in employee benefit expense as a result of the headcount increase for our research and development team to strengthen our technology capabilities.

Other gains/(losses), net changed from a gain of RMB19.2 million for the six months ended 30 June 2017 to a loss of RMB127.3 million for the six months ended 30 June 2018, primarily due to an increase in impairment loss of loans to customers and interest expenses to trust senior tranche holders both recognized on our on-balance sheet loans, as a result of higher loan volume made through consolidated trust scheme.

Share of net gain/(loss) of associates accounted for using equity method

Share of net gain/(loss) of associates accounted for using equity method changed from a loss of RMB1.2 million for the six months ended 30 June 2017 to a gain of approximately RMB720,000 for the six months ended 30 June 2018.

Fair value gain/(loss) of preferred shares

Fair value gain/(loss) of preferred shares changed from a loss of RMB489.5 million for the six months ended 30 June 2017 to a gain of RMB1,905.6 million for the six months ended 30 June 2018.

Fair value gain of financial liability designated at fair value through profit or loss

We recorded RMB33.8 million of fair value gain of financial liability designated at fair value through profit or loss for the six months ended 30 June 2018, as compared to nil for the six months ended 30 June 2017.

Finance expenses, net

Finance expenses, net increased by 176.8% from RMB5.6 million for the six months ended 30 June 2017 to RMB15.5 million for the six months ended 30 June 2018. The increase mainly reflected greater interest expenses as a result of higher amount of indebtedness.

Income tax credit/(expense)

Income tax credit/(expense) changed from an income tax expense of RMB172.6 million for the six months ended 30 June 2017 to an income tax credit of RMB2.9 million for the six months ended 30 June 2018, mainly as a result of recognition of deferred income tax assets related to unrecognized deductible temporary differences in previous years.

Profit/(loss) for the period

As a result of the foregoing, our profit/(loss) for the period changed from a net loss of RMB330.1 million for the six months ended 30 June 2017 to a net profit of RMB2,086.3 million for the six months ended 30 June 2018.

Non-IFRS measures

We compensate for the limitations of the non-IFRS measures by reconciling the non-IFRS financial measures to the nearest IFRS performance measure, all of which should be considered when evaluating our performance.

The adjusted net profit increased by 48.9% from RMB170.7 million for the six months ended 30 June 2017 to RMB254.1 million for the six months ended 30 June 2018. The following table reconciles our adjusted net profit/(loss) in the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit/(loss) for the period:

	For the six months ended 30 June	
	2018	2017
	(in thousands of RMB)	
	(Unaudited)	(Unaudited)
Adjusted net profit/(loss)		
Net profit/(loss)	**2,086,291**	(330,106)
Adjusted for:		
Share-based compensation expenses	**72,470**	11,285
Fair value loss of preferred shares	**(1,905,589)**	489,474
Fair value loss of financial liability designated at fair value through profit or loss	**(33,805)**	—
Listing expense	**34,781**	—
Adjusted net profit	**254,148**	170,653

Liquidity, Financial Resources and Gearing

The Group maintained a net cash position throughout the period under review. Our net cash positions as at 30 June 2018 and 31 December 2017 are as follows:

	As at 30 June 2018	As at 31 December 2017
	(RMB in millions)	
	(Unaudited)	(Audited)
Cash and cash equivalents	**1,365**	1,258
Liquid investments	**86**	245
Borrowings	**(665)**	(693)
Net cash	**786**	810

Cash and cash equivalents include cash at banks and other short-term deposits with original maturities of three months or less. Liquid investments are primarily wealth management products issued by banks and held with the primary objective to generate income at a yield higher than current deposit bank interest rates. Our cash and cash equivalents and liquid investments are denominated in the United States ("**US**") dollars, RMB and Hong Kong dollars.

For the six months ended 30 June 2018, the Group had free cash flow of RMB106.3 million, primarily as a result of net cash flow generated from operating activities of RMB280.9 million, net cash flow generated from investing activities of RMB197.9 million, offset by net cash used in financing activities of RMB373.3 million.

The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The gearing ratio, calculated as total borrowings divided by total assets, was 8.5% as at 30 June 2018. (31 December 2017: 9.0%).

The following table sets forth the maturity profile of our borrowings within the periods indicated.

	As at 30 June 2018	As at 31 December 2017
	(in thousands of RMB)	
	(Unaudited)	(Audited)
Within 1 year	**235,892**	261,115
1 year to 2 years	**5,703**	5,709
2 years to 5 years	**406,218**	403,720
Over 5 years	**16,920**	22,709
Total Borrowings	**664,733**	**693,253**

The bank and other borrowings as at 30 June 2018 were all denominated in RMB (31 December 2017: RMB and Hong Kong dollars).

Capital Structure

On 13 July 2018 (the "**Listing Date**"), being the date of which the shares of the Company (the "**Shares**") were initially listed on the Main Board of the Stock Exchange, the total issued Shares were 1,187,026,522 and the number of Shares was further increased to 1,194,425,522 after the partial exercise of over-allotment option on 3 August 2018. For details, please refer to the propsectus and announcement of the Company dated 29 June 2018 and 5 August 2018, respectively.

Exposure to Fluctuations in Exchange Rates

The Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars and Hong Kong dollars.

For the Group's PRC subsidiaries whose functional currency is RMB, if US dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the profit before income tax for the six months ended 30 June 2018 would have been approximately RMB4,782,000 lower/higher, and the loss before income tax for the six months ended 30 June 2017 would have been approximately RMB18,447,000 higher/lower, as a result of net foreign exchange gains/(losses) on translation of net monetary liabilities denominated in US dollars.

For the Group's PRC subsidiaries whose functional currency is RMB, if Hong Kong dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the profit before income tax for the six months ended 30 June 2018 would have been approximately RMB2,040,000 higher/lower, and the loss before income tax for the six months ended 30 June 2017 would have been approximately RMB14,057,000 lower/higher, as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in Hong Kong dollars.

The Group has entered into foreign exchange forward contracts to cover specific foreign currency payments and receipts within the exposure generated from time to time.

Charge on Assets

For the six months ended 30 June 2018, the Group has pledged its 49.61% shares in 北京決策信誠科技有限公司 (transliterated as Beijing Juece Xincheng Technology Co., Ltd.) in favour of Wenchuang Branch of Hangzhou Bank Co., Ltd. ("**Hangzhou Bank**") as security for obtaining a loan in a total sum of RMB30 million. The Group has charged its properties located in Building B3, Wenyi West Road, Hangzhou, PRC in favour of Wenchuang Branch of Hangzhou Bank for obtaining a mortgage loan in a total sum of RMB53 million.

Significant Investments

For the six months ended 30 June 2018, the Group did not have any significant investments (six months ended 30 June 2017: nil).

Material Acquisition and Disposal

For the six months ended 30 June 2018, the Group did not have any material acquisition or disposal (six months ended 30 June 2017: nil).

Contingent Liabilities

As at 30 June 2018, the Group had no material contingent liabilities (31 December 2017: nil).

Employees and Remuneration Policy

As at 30 June 2018, the Group had 1,537 staff (30 June 2017: 1,196). For the six months ended 30 June 2018, the total staff cost incurred by the Group was RMB355.5 million (six months ended 30 June 2017: RMB175.3 million).

The Company has established an effective compensation management system and talent incentive mechanism by following the principle of "competitive compensation to attract high-quality talent". The Company's compensation system is linked to the performance appraisal system and the Group's operating results to create a more fair and humane working environment for each employee to fully exert his own value, so as to provide human resources guarantee for the Company's sustainable and stable development. In addition, the Company focuses on employee training system construction, including new employee induction training and on-the-job training, covering professional training to improve vocational skills, management training to enhance leadership quality and general-purpose training to develop comprehensive quality. Meanwhile, the Company implements a training score management system to create a good learning atmosphere for achieving the simultaneous development of employees and the enterprise.

The Company has also adopted 51 Stock Scheme and 51 Award Scheme to reward the employees. For details, please refer to the section headed "Appendix IV - Statutory and General Information - D. RSU Schemes" in the prospectus dated 29 June 2018 issued by the Company.

USE OF PROCEEDS FROM THE IPO

The Shares were listed and commenced trading on the Main Board of the Stock Exchange on 13 July 2018. The gross proceeds and net proceeds raised by the Company from the IPO amounted to approximately HK$1,009.0 million and approximately HK$988.3 million respectively and an additional gross proceeds and net proceeds of approximately HK$62.9 million and approximately HK$61.3 million respectively were received from the allotment and issue of the Shares as a result of the partial exercise of the over-allotment option. The Company intends to use all such proceeds in the manner consistent with that disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus dated 29 June 2018 issued by the Company. The Group has not yet utilized the net proceeds as at the date of this announcement. The unutilized net proceeds have been placed to short-term interest-bearing deposits with licensed banks in Hong Kong or the PRC.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Shares were initially listed on the Main Board of the Stock Exchange on the Listing Date.

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

CORPORATE GOVERNANCE

As at 30 June 2018, the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange were not applicable to the Company as the Shares were not yet listed on the Main Board of the Stock Exchange.

For the period from the Listing Date to the date of this announcement, the Company has complied with all code provisions of the CG Code except for the following:

A.2.1 - Roles of Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the role of chairman and chief executive should be separate and should not be performed by the same individual.

In view of Mr. Sun Haitao's practical experiences in respect of mobile internet and financial technology, personal profile and his roles in the Group, the Board believes that it is beneficial to the business prospect and operational efficiency of the Group for Mr. Sun Haitao to act as the chairman and chief executive officer concurrently. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. The Company has made specific inquiries with all Directors and is not aware of any non-compliance by any Director with the requirements and code provisions of the Model Code from the Listing Date to the date of this announcement.

REVIEW OF THE INTERIM RESULTS

The Company has established the audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely, Mr. Wong Ti, Mr. Wang Zhaocheng and Ms. Zou Yunli. Mr. Wong Ti is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim results of the Group and the unaudited condensed consolidated interim financial information for the six months ended 30 June 2018. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company.

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2018 has been reviewed by the Company's external auditor, PricewaterhouseCoopers, in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the International Auditing and Assurance Standard Board.

PUBLICATION OF INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.u51.com). The interim report will be despatched to the shareholders of the Company and published on both websites on or before 30 September 2018.

By Order of the Board
51 Credit Card Inc.
Sun Haitao
Chairman, Chief Executive Officer and Executive Director

30 August 2018

As at the date of this announcement, the Board comprises Mr. Sun Haitao, Mr. Yang Yuzhi and Mr. Zhao Ke as executive Directors; Ms. Zou Yunli as a non-executive Director; and Mr. Wong Ti, Mr. Wang Zhaocheng and Mr. Ye Xiang as independent non-executive Directors.