



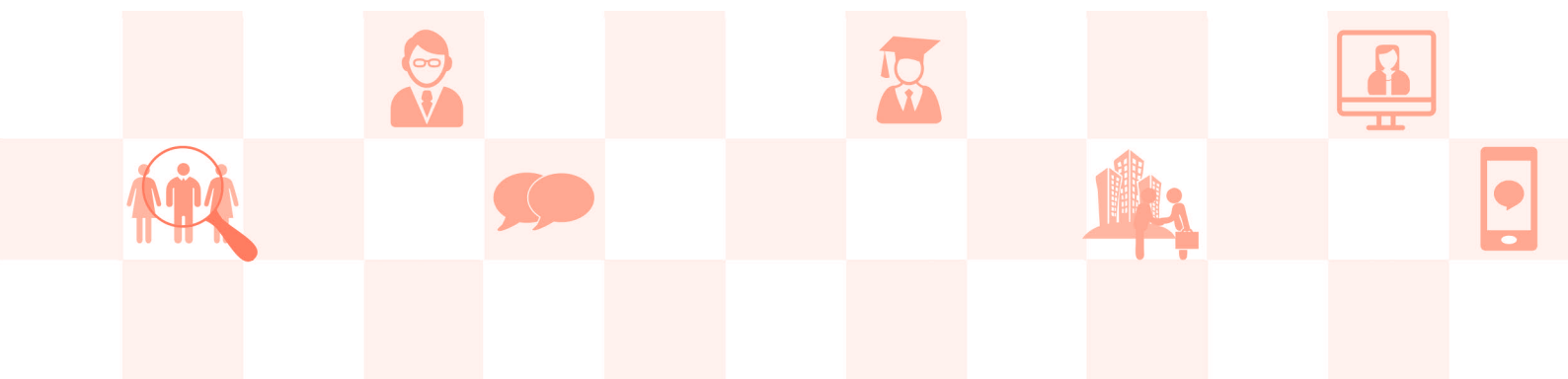
猎聘

**Tongdao Liepin Group**  
**同道獵聘集團**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 6100)**



**INTERIM REPORT**  
**2022**



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## DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below. 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.

<b>“Audit Committee”</b>	the audit committee of our Company
<b>“Board”</b>	the board of directors of our Company
<b>“Business customers”</b>	verified business users that have existing contracts with us as of a given date, excluding business customers with trial subscription
<b>“Company”, “our Company”, or “the Company”</b>	Tongdao Liepin Group (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
<b>“Director(s)”</b>	the director(s) of our Company
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HR”</b>	Human Resources
<b>“IAS”</b>	International Accounting Standards
<b>“IASB”</b>	International Accounting Standards Board
<b>“IFRS”</b>	International Finance Reporting Standards, amendments, and interpretations, as issued by the IASB
<b>“Individual paying users”</b>	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
<b>“Individual users”</b>	the individual users that have completed all required registration and verification procedures for our talent development services to the Group’s satisfaction
<b>“Job postings”</b>	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

<b>“Liepin Group”, “our Group”, “the Group”, “we”, “us” or “our”</b>	the Company and its subsidiaries from time to time
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Number of CVs”</b>	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
<b>“PRC”</b>	the People’s Republic of China
<b>“Prospectus”</b>	the prospectus of the Company, dated 19 June 2018, in relation to its global offering
<b>“R&amp;D”</b>	research and development
<b>“Registered individual users”</b>	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
<b>“Reporting Period”</b>	the six months ended 30 June 2022
<b>“RMB”</b>	Renminbi, the lawful currency of PRC
<b>“SaaS”</b>	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 provides them to the Company’s registered individual users, verified business users and verified headhunters over the Internet
<b>“Talent services”</b>	talent acquisition services, other HR services, and talent development services provided to business users and individual users, as the case may be
<b>“US\$” or “USD”</b>	United States dollars, the lawful currency of the United States of America
<b>“Verified business users”</b>	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
<b>“Verified headhunters”</b>	the headhunters that have completed all required registration and verification procedures to the Company’s satisfaction



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Dai Kebin  
(Chairman and Chief Executive Officer)  
Mr. Chen Xingmao  
(Chief Technology Officer)

### Non-executive Directors

Mr. Shao Yibo  
Mr. Zuo Lingye

### 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 417, 4th Floor, Lippo Centre  
Tower Two, No. 89 Queensway  
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

## PRINCIPAL BANK

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

## COMPANY SECRETARY

Ms. Fung Wai Sum (ACG, HKACG)

## 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. Ye Yaming\*

## NOMINATION COMMITTEE

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

## HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## STOCK CODE

6100

## AUDITOR

KPMG  
Public Interest Entity Auditor registered in  
accordance with the Financial Reporting  
Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

## COMPANY WEBSITE

[www.liepin.com](http://www.liepin.com)

\* Mr. Ding Gordon Yi has resigned as a non-executive Director since 17 June 2022 and ceased to be a member of the remuneration committee of the Company accordingly. Mr. Ye Yaming has been appointed as a member of the remuneration committee of the Company with effect from 17 June 2022.



## FINANCIAL HIGHLIGHTS

- Revenue primarily generated from providing talent acquisition and other HR services to our business customers and providing talent development services to individual users was RMB1,371.6 million for the six months ended 30 June 2022, a 14.4% increase from RMB1,198.5 million for the six months ended 30 June 2021.
- Gross profit was RMB1,084.6 million for the six months ended 30 June 2022, a 13.7% increase from a gross profit of RMB953.6 million for the six months ended 30 June 2021.
- Net profit was RMB184.4 million for the six months ended 30 June 2022, a 131.2% increase from RMB79.8 million for the six months ended 30 June 2021. Net profit attributable to the owners of the Company was RMB142.2 million for the six months ended 30 June 2022, a 166.0% increase from RMB53.4 million for the six months ended 30 June 2021.
- Non-GAAP operating profit of the Company (excluding share-based compensation expenses and amortization of intangible assets resulting from acquisition) was RMB242.8 million for the six months ended 30 June 2022, a 45.8% increase from RMB166.5 million for the six months ended 30 June 2021. Non-GAAP operating profit margin was 17.7% for the six months ended 30 June 2022.
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2022 to the shareholders of the Company.

## CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board and the management of Tongdao Liepin Group (the “**Company**”), I am pleased to present the 2022 interim report of the Company and its subsidiaries (collectively, the “**Group**”, “**Liepin**” or “**we**”, “**our**” and “**us**”).

In the first half of 2022, the resurgence of the pandemic and complex economic conditions have imposed tremendous pressure on the economy and job market. Despite the challenging situation, our Group continued to achieve steady growth with the tireless efforts of our team. For the six months ended 30 June 2022, we achieved a revenue of RMB1.37 billion, up by 14.4% year-on-year. And our net profit increased by 131.2% year-on-year. The rapid improvement of our profitability resulted from the firm execution of our Group's strategy and the flexible adjustment of our operation. The particular market conditions also further demonstrated the resilience of the mid-to high-end recruitment market. We will continue to fulfill our mission to help enterprises and talents achieve greater success by providing better products and services.

According to the data on our platform, certain industries still showed strong recruitment sentiment, although many of them faced downward pressure to various extent in the second quarter of 2022. In June, as the disruption caused by the pandemic was gradually eased, the normal operation of corporations and residential consumption were restored step by step. In particular, medium and large enterprises, which were more experienced in combating the pandemic and enjoyed stronger business stability, restored their recruitment demand and picked up confidence level at a relatively faster speed. As a long-term partner of these outstanding enterprises, we continue to focus on their diversified needs, help with their digital transformation in the recruitment process and safeguard their organizational and talent upgrade.

In terms of marketing strategies, based on the development phases of different regions and industries, we have flexibly implemented the “one city, one policy” and “targeted expansion” marketing strategies, which allow us to deeply explore the needs of our existing customers while selectively expanding into key industries. We deeply identify their specific needs by focusing on policy guidance, industrial clusters and other directions. We continuously provide our customers with a high-quality talent pool, diversified recruitment products and in-depth professional services. In terms of new customer acquisition, we implemented a targeted marketing strategy to firmly grasp the business opportunities in policy-supportive and rapidly developing emerging industries, thereby continuously solidifying our competitive edge in the mid-to high-end recruitment market. Despite the pressure in the first half of the year, our registered business users reached nearly 1.08 million and our paying business customers reached 66,794. And the ARPU of our business customers reached a new high of over RMB36,000, up by 16.5% year-on-year.

In terms of individual users, although recruitment demand was subdued to a certain extent this year, job-seeking demand was boosted. As the adverse impact of the pandemic is gradually eased, the confidence level for future employment is rebounding, but job security and stability are still talents' biggest concerns. In response, we continuously track and analyze our users' intentions and behavioral changes, improve our talent map and optimize the user experience during their job-seeking journey on our platform by leveraging our big data and AI technology. By the end of June this year, the number of registered users on our platform reached 79.5 million, an increase of 16% year-on-year. Among them, the number of resume updates in the past 18 months has increased by 25.6% year-on-year. The number of users and their activity level show continuous growth. As we have focused on attracting rare talents in key emerging industries this year, the accumulation of such high-quality talents has significantly enriched the talent reserve of our platform.

In terms of our product, the fully upgraded Liepin Pro played an important role in strengthening user stickiness. By improving the business user collaboration functions, optimizing the user engagement interface and streamlining the recruitment process, our upgraded product sufficiently enhanced recruiters' activity level and user experience. In the second quarter of 2022, we introduced more collaborative managing functions such as account management and collaborative CV evaluation modules. With the updated features, we have made recruitment smoother and more convenient and efficient. Meanwhile, we actively responded to the government's call to promote innovative recruitment models by thoroughly upgrading our innovative live-streaming recruitment product, enhancing our technical capability and accumulating valuable content in an effort to further improve the conversion of our live-streaming recruitment activities.

In terms of technological innovation, we keep establishing a data-and-technology-driven talent service platform. In the second quarter of 2022, as we further improved our labeling system and deepened our algorithm's natural language understanding, we also integrated our digitalization capability and solidified our advantages in every recruitment procedure. On the business user front, we distinguished and analyzed their recruitment needs at an earlier stage by enhancing our digital sales capability so as to provide our users with more tailored products and services recommendation. This capability will further empower our business development through higher sales conversion and result in a better user experience and higher value creation. We introduced a separate set of tags to label the unique career considerations of students, and upgraded the system's matching algorithm. In addition, we continued to pursue a more efficient, mutually beneficial and innovative ecosystem with headhunters. As of the second quarter of 2022, the number of registered headhunters on our platform amounted to nearly 210 thousand, an increase of 15.8% year-on-year.

In the second half of 2022, we will continue to focus on our core mid-to high-end recruitment business, strengthen our "Platform + SaaS + Service" strategy, reinforce our current business and dig deeper into our core customer needs. At the same time, we will flexibly adjust our marketing strategy, make timely adjustments corresponding to industrial structure changes, focus on emerging industries with high potential and target highly in-demand talents in order to expand our user coverage in these sectors. Operationally, we will pursue efficiency improvement to confront low job market sentiment and build a solid basis for our sustainable development.

On behalf of the Board, I would like to extend our gratitude to all customers, partners, employees and investors for their long-term trust and support. As a company that has cultivated the mid-to high-end online recruitment market for more than a decade, we will actively make use of our intelligent talent-job matching capability and profound insights into the employment market, and provide enterprises and talents with professional and efficient products and services. We will spare no effort to assist in stabilizing employment and continuously create value for our users and the whole society.

Yours faithfully,  
**Dai Kebin**  
*Chairman*

19 August 2022

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET REVIEW

### PRC Talent Acquisition and Other HR Services Market

In the first half of 2022, the job market faced unprecedented challenges. With intensified global geopolitical risks and the rampant COVID-19 pandemic domestically, corporate production and operation was severely impacted in major cities and key sectors. Against this backdrop, the national surveyed urban unemployment rate reached a high of 6.1% in April 2022. Moving into May and June, the structural imbalance in the job market was still noticeable, revealing the mounting pressure on employment in the second quarter of this year.

Employment always lays a foundation for people's livelihood and stable economic growth. In such a special period, a national video and telephone conference on stabilizing employment was held on 7 May 2022, emphasizing the principle that "China will intensify efforts to implement the employment-first policy and maintain employment and economic stability". Soon afterwards, multi-pronged measures were introduced and systematically implemented, including the support for the small and medium-sized enterprises that were most severely affected during the pandemic, the specific assistance for the employment of key groups such as college graduates and migrant workers, and the facilitation of entrepreneurship and flexible staffing.

Meanwhile, the Ministry of Human Resources and Social Security issued the "Notice on the Action of Human Resources Service Providers to Stabilize and Promote Employment", which aimed to drive the development of the national employment market by leveraging the job-talent matching capability and in-depth industry experience of human resources service providers. The notice put forward specific requirements and supporting policies mainly through seven key measures, including supporting the business development of HR service providers and innovatively promoting flexible staffing services. As an online recruitment platform with more than 10 years of operational experience, we are deeply aware of our responsibility and mission in this critical period, and actively contribute to the recovery of the employment market through our edges in intelligent job-talent matching and industrial insight.

During the course of our operation, we conducted thorough analysis on the recruitment demands of our customers by industry. According to the data we collected from our platform, certain industries showed strong recruitment sentiment although many of them faced downward pressure to varying extents in the second quarter of 2022. The overall trend was consistent with that of the first quarter, with energy & chemicals, automobiles & manufacturing and telecommunications & hardware remaining the top three industries in terms of the growth of new job postings. Specifically, the new energy industry experienced the most rapid growth in the second quarter of 2022, up by more than 54% year-on-year.

Starting from June 2022, although several regions were still disturbed by the pandemic, the overall economic conditions slowly got back onto a recovery path, with production and operation resuming in stages. Enterprises (especially medium-to-large ones) are restoring recruitment demand to support their business development climbing out of the bottom. As a long-term partner and advisor to enterprises, Liepin Group will provide full support for our customers' talent recruitment development by offering one-stop talent services, which in turn helps stabilize the job market and contribute to China's stable economic development.

## PRC Talent Development Services Market

From the talent development point of view, the job-posting-to-talent ratio of public employment service providers in 100 cities remained above one time in the first half of 2022, suggesting that talent was still in shortage. However, this ratio dropped to 1.37 times in the second quarter of 2022, down by 0.21 year-on-year, indicating that it was increasingly difficult for talents to locate ideal jobs, mainly due to the adverse impact brought by the pandemic.

At the same time, since enterprises are more cautious in expansion during economic downturns, the expansionary entry-level positions, which are mainly occupied by relatively young or junior talents, usually suffer the most. Looking at the data published by the National Bureau of Statistics, the surveyed unemployment rate for the 16–24-year-old population rose to 19.3% in June 2022, significantly higher than the national surveyed urban unemployment rate, reflecting the problematic employment conditions for young talents. On the other hand, mid-to high-end talents generally remain on the sidelines when considering new career opportunities facing the uncertain economic conditions, resulting in a longer recruitment cycle and a lower willingness to invest in future development. The shift in preferences of both enterprises and talents collectively contributed to low mobility and downward trending sentiment of the job market in the first half of 2022.

To mitigate the above issues, the national government is not only comprehensively facilitating the resumption of production, but also specifically introducing a number of policies to promote student employment. Such policies include encouraging the recruitment of students, strengthening career guidance and training for students, improving professional training and supporting student entrepreneurship. At the same time, HR service providers are encouraged to promote the employment of college graduates and carry out a series of special activities for them. In such context, we shouldered our responsibilities and focused on recommending high-quality jobs and offering a wide array of talent development services, so as to help the government stabilize the employment market.

## BUSINESS REVIEW

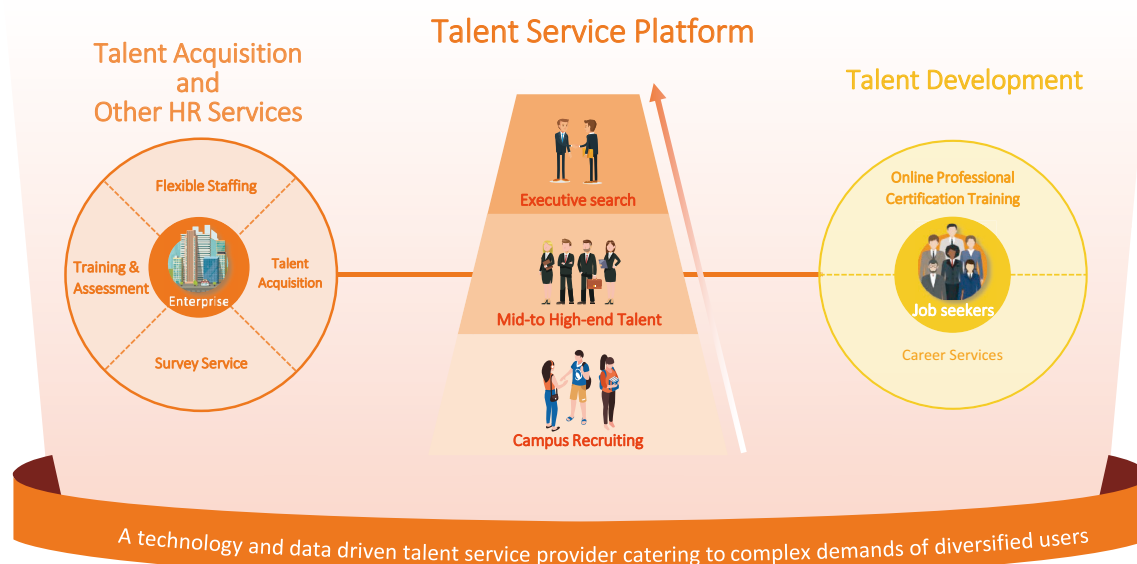
### Overall Performance and Highlights

As a pioneer of online talent service platform in China that focuses on mid-to high-end talent acquisition services, we achieved healthy growth during the first half of 2022. For the six months ended 30 June 2022, our revenue and gross profit amounted to approximately RMB1,371.6 million and RMB1,084.6 million, respectively, representing a year-on-year increase of 14.4% and 13.7%, respectively. In the first half of 2022, we continued to implement our long-term growth strategy of “building a technology and big data-driven one-stop talent service platform” and actively penetrate the talent service market.

Coupled with the sustainable growth of our core talent acquisition services, we have been leveraging our know-how in online service offerings to integrate with other human resource services, including flexible staffing, online survey services, and training and assessment. The well-rounded product mix contributed to our resilient business and financial performance during the economic downturn and provided us with stronger growth momentum when market rebounded. For the six months ended 30 June 2022, the revenue generated from providing the talent acquisition services and other HR services to business users was RMB1,202.7 million (compared with RMB1,023.5 million generated during the same period in 2021), representing a year-on-year increase of 17.5%. The number of our verified business users and business customers increased from 881,560 and 66,238 as of 30 June 2021 to 1,078,637 and 66,794 as of 30 June 2022, respectively, representing a year-on-year increase of 22.4% and 0.8%, respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2022, with our comprehensive talent development services, including career advisory, certification training, etc., our online platform's individual user traffic grew steadily. The number of registered individual users increased from 68.5 million as of 30 June 2021 to 79.5 million as of 30 June 2022, representing a year-on-year increase of 16.0%. For the six months ended 30 June 2022, the revenue generated from providing talent development services to individual users was RMB168.1 million (compared with RMB174.2 million generated during the same period in 2021), representing a year-on-year slight decrease of 3.5%.



### Talent Acquisition Services

Although the recruitment market was under significant pressure during the second quarter of this year, our talent acquisition services still provided a foundation for our business development. Business customers can subscribe to our annual services, purchase our closed-loop talent acquisition services or enter our customized talent acquisition projects.

We have firmly executed our "Platform + SaaS + Service" strategy. Starting from the fourth quarter of 2021, we upgraded our core talent acquisition product into a more user-friendly professional recruitment SaaS product, Liepin Pro (獵聘企業版), for our business customers. We further strengthened our collaboration functions on top of an improving matching algorithm. By enhancing collaboration between different recruitment roles, optimizing communication function and interface, and streamlining recruitment process, Liepin Pro enhances the activity level and product experience of talents and recruiters, thus achieves stronger user stickiness and value creation. In addition to the new features that were launched in the first quarter of 2022, such as recruitment dashboards and job-position internal sharing, we also introduced more recruitment process managing features in the second quarter of 2022, including collaborative CV evaluation modules and easy account management. With the updated features, we have made recruitment smoother, more convenient and more efficient.



Meanwhile, the government heavily promoted the online and innovative recruitment model, and we actively responded to the call by upgrading our online recruitment tools, specifically the live-streaming recruitment platform. In addition to our continuous innovation of recruitment channels and content enrichment, we also strengthened our technical capability to deliver high-quality live-streaming activities and improved users' viewing experience and talent-job matching efficiency. In the first half of 2022, we cohosted live-streaming recruitment activities with local government, top-tiered universities and well-known enterprises. While helping match talents with positions effectively, we also strengthened our brand image and, in turn, planted the seed for our future business development.

Technological innovation provides a solid basis for efficient and accurate talent-job matching. As such, since our inception, we have spared no effort in pursuing technological upgrades to solidify our advantages in the mid-to high-end recruitment market. In the second quarter of 2022, we further improved our labeling system so as to deepen our algorithm's natural language understanding. We then digitalized and integrated these capabilities to form a high-quality recruitment industry knowledge map, and optimized the matching algorithm based on a better understanding of talent profiles and job requirements, hence empowering our business development. On the business user front, we analyzed their recruitment demand through multi-dimensional data using our upgraded algorithm. Clear requirements can be detected and leveraged by our sales team. The products and services we provide to our business users are better catered to their needs, resulting in a better user experience and higher sales efficiency. On the individual user front, we introduced a separate set of tags to label the unique career considerations of students who are experiencing unprecedented pressure in the job market this year, and updated the matching algorithm that's specifically designed for them. We aim to help students identify the most suitable career development path at the beginning of their journey.

Despite the challenges we faced in the first half of 2022, Liepin Group were still highly recognized by our customers by virtue of our high-standard products and professional services. The stable recruitment demand of our customers contributes to our healthy revenue growth. With the improvement of our organizational structure and accumulation of experience, our sales team can actively respond to the changes with flexible strategies. In the first half of 2022, we focused more on fulfilling the deeper needs of existing customers and business development in targeted sectors with thorough analysis. For example, we explored opportunities in key industries, such as new energy and electronic semiconductors, and developed competitive advantages in these industries. We also paid more attention to business opportunities in state-owned enterprises and other medium and large enterprises. By providing one-stop talent services to state-owned economic zones and research institutes, we assisted in solving local employment problems.

Under the particular circumstances in the first half of this year, we were deeply aware of the importance of corporate social responsibility and commitment. To navigate the challenges, we have held welfare live-streaming recruitment activities, provided online interviews and other intelligent recruitment tools free of charge, and frequently launched market strategy reports and online lectures to help enterprises and job seekers get through the tough times. Protection of user data and related information is always the key tenet of our Group and we have kept putting our effort in striving for excellence in terms of creating a secure and fair online talent service environment. We have also continuously improved our corporate governance and optimized our organizational structure by bringing in outstanding talents and firmly implementing the evaluation mechanism. In the meantime, by holding a series of training sessions for our employees, we will be equipped with a stronger team facing the market recovery.



### Other HR Services

Over years of development, we have established a diversified product layout that caters to the diverse needs of our customers. Our business development strategy has also significantly enhanced our Group's risk-resistance and service coverage tailored to the accelerated digitalization trend in recent years, serving as a strong driver for our future growth.

In 2022, a number of important national conferences, including the executive meeting of the State Council, have particularly emphasized the key role of flexible staffing in stabilizing employment in China and put forward specific safeguarding measures to promote the long-term and healthy development of the flexible staffing market. Thanks to strong supporting policies and unique online business model of our flexible staffing business, we seized precious business opportunities in the first half of 2022.

Our online survey business has cemented its leading position in the industry. As of the end of June 2022, we had issued over 174 million surveys and collected nearly 14 billion samples. Our user-friendly, fully-featured and well-known online survey product attracted more user traffic and higher usage frequency in the first half of 2022. At the same time, we have refined our user labelling system and improved our user profiling capability, so as to further enhance user stickiness and customer relations. In addition, we continued to make efforts in the development of the SaaS business, participated deeply in our customers' businesses and provided comprehensive survey solutions in various scenarios. Our Group will continue to work on the system integration and management coherence of our online survey business in an effort to drive healthy and sustainable business development.

Our training and assessment SaaS platform is an innovative product that provides employees with video-based training, such as leadership trainings and professional skillset courses. Especially during the pandemic, we offer enterprises online training and counselling courses for their structural talent development and team building, which in turn help them smooth out the impacts of the pandemic.

### Talent Development

Leveraging our talent networks and artificial intelligence technology, we continuously follow our users' intentions and behavioral alternations under a dynamic macro-environment, in order to precisely fulfill their needs. In the second quarter of this year, the number of registered individual users on our platform continued to accumulate. We remained committed to attracting new users, especially talents that are in rapidly developing industries, balancing the supply and demand of the recruitment market in these sectors. We also focused on exploring the current demands and enhancing the user experience of our existing individual users. By leveraging our evolving labelling system and matching algorithm, we can precisely locate and analyze our existing individual users and encourage them to remain active on our platform if they are in need of talent development products again. Thus, we can effectively lengthen the user lifetime on our platform, thereby creating greater value for our users.

To help students successfully enter the workforce, we cooperated with the Ministry of Education, All-China Federation of Industry and Commerce and other organizations to hold a number of campus recruitment activities. We actively allocated platform resources to deliver high-quality positions and talent development services for students. For example, joining hands with Peking University's Guanghua School of Management, we launched an employment related public activity named "The Management Trainee" for fresh graduates. A total of 16 experts, including university professors, corporate executives and entrepreneurs, were invited to deliver high-quality live courses to the students. In the meantime, together with local government, we established a "Guangdong-Hong Kong-Macao Greater Bay Area Youth Internship and Employment Public Service Platform", providing services, including study tours, internship opportunities, employment guidance, professional trainings and other services in packages.

Regarding our online professional certification training business, the resurgence of the pandemic in the second quarter of 2022 led to the repeated postponement of the examination dates of certain certifications. These disruptions caused a material impact on the intentions and enthusiasm of talents in applying and preparing for the examinations. At the same time, the headquarter city of this business was severely impacted during the pandemic in the first half of this year. The city lockdown and quarantine disrupted our normal business operation and brought challenges to our business development. However, starting from June 2022, the restrictions of the pandemic were gradually eased, and many examinations were rescheduled. With the supporting policies from the government, we will actively provide high-quality professional certification trainings to assist the upgrade of talents.

	As of 30 June			As of
	2022	2021	%	31 December 2021
<b>Individual users</b>				
Number of registered individual users (in millions)	79.5	68.5	16.0	73.9
Number of individual paying users (accumulative)	479,032	415,353	15.3	451,718
Number of CVs (in millions)	79.5	68.5	16.0	73.9
<b>Business users and customers</b>				
Number of verified business users	1,078,637	881,560	22.4	1,003,196
Number of business customers	66,794	66,238	0.8	72,554
Number of job postings (in millions)	6.8	6.6	3.1	9.2
<b>Headhunters</b>				
Number of verified headhunters	208,967	180,378	15.8	197,357
Number of contacts with registered individual users by our verified headhunters (in millions)	634.7	496.9	27.7	1,084.7

### FUTURE OUTLOOK AND STRATEGIES

In the first half of 2022, with our effective business model and long-term strategy, we achieved healthy growth and development amid challenging conditions. We will continue to execute the “Platform + SaaS + Service” strategy and provide tailored services to our users in various economic conditions. We will also further strengthen our interactive functions so that all parties can cooperate smoothly and manage resources efficiently on our platform. On top of our core advantages in the mid-to high-end talent acquisition market, we will continue our effort in building a multi-streamed product spectrum in the talent service industry, so as to provide better user experience and broaden our user coverage.

We initiated a very focused sales strategy by targeting fast growing industries and discovering deeper needs of our existing customers with professional services and a diversified product mix. A deep understanding of users’ needs is of paramount importance for our targeted business development. We will continue to strengthen our digital sales capabilities by optimizing the labeling system and conducting more detailed analysis. On the individual user side, we will attract and retain high-quality target users through more accurate online marketing strategies, user-friendly product designs and precise matching algorithms. Even though the uncertainties of the pandemic are still hovering, we believe that as long as we firmly execute our group strategy and continuously create value, we will always be acknowledged by our users and, in turn, be rewarded with sustainable and healthy development.

As we continued to focus on sustainable business development, we also kept a close eye on our internal operation. By optimizing our organizational structure and cost structure, we effectively fortified our corporate governance and improved operational efficiency. Amid the resurgence of the pandemic and uncertain geopolitical conditions, we will always walk at the frontline and spare no effort in providing high-quality talent services in an endeavor to promote the stability of national employment, enable the digital transformation of enterprises and realize the compliant and healthy development of the talent service industry.

### Impact of the COVID-19 Pandemic

During the first half of 2022, the spread of the COVID-19 variant triggered a new wave of pandemic outbreak, which imposed economic and social impacts on various regions. The Chinese government has implemented measures such as city lockdowns, travel restrictions, quarantines and business shutdowns in response to the resurgence of COVID-19. We will continue to actively implement our remedial measures and may implement additional measures as necessary to ease the impact of the COVID-19 outbreak on our operations. However, due to the uncertain COVID-19 pandemic situation in the second half of 2022 we cannot guarantee that the COVID-19 pandemic will not further escalate or have a material adverse effect on our results of operations, financial position or prospects.

## FINANCIAL REVIEW

### Six Months Ended 30 June 2022 Compared to Six Months Ended 30 June 2021

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
	RMB'000	RMB'000
<b>Revenue</b>	<b>1,371,630</b>	1,198,476
Cost of revenue	<b>(287,016)</b>	(244,904)
<b>Gross profit</b>	<b>1,084,614</b>	953,572
Other income	<b>62,784</b>	34,290
Sales and marketing expenses	<b>(617,886)</b>	(578,607)
General and administrative expenses	<b>(165,457)</b>	(172,634)
Research and development expenses	<b>(184,184)</b>	(143,398)
<b>Profit from operations</b>	<b>179,871</b>	93,223
Net finance income/(cost)	<b>12,191</b>	(7,486)
Share of results of associates	<b>445</b>	237
<b>Profit before taxation</b>	<b>192,507</b>	85,974
Income tax	<b>(8,115)</b>	(6,221)
<b>Profit for the period</b>	<b>184,392</b>	79,753
<b>Attributable to:</b>		
— Equity shareholders of the Company	<b>142,172</b>	53,439
— Non-controlling interests	<b>42,220</b>	26,314
<b>Profit for the period</b>	<b>184,392</b>	79,753
<b>Non-GAAP Profit from Operations</b>	<b>242,762</b>	166,519

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

Our revenue was RMB1,371.6 million for the six months ended 30 June 2022, a 14.4% increase from RMB1,198.5 million for the six months ended 30 June 2021, which was primarily due to (i) the increase of average revenue per user, driven by up-sell and cross-sell opportunities brought by high-quality customers' diverse demands, and our well-rounded product layout; and (ii) the increase in the number of paying customers, driven by resilient business model, the improvement of online talent service penetration and brand recognition. During the period under review, approximately 87.6% of our revenue was generated from providing talent acquisition and other HR services to our business users, 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 generated 12.3% of our revenues by providing talent development services to individual users, such as premium membership services, career coaching, CV advisory and certification training services. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the six months ended 30 June			
	2022		2021	
	RMB'000	%	RMB'000	%
	(unaudited)		(unaudited)	
Talent acquisition and other HR services to business users	1,202,670	87.6	1,023,545	85.4
Talent development services to individual users	168,134	12.3	174,166	14.5
Rental income from investment properties	826	0.1	765	0.1
<b>Total</b>	<b>1,371,630</b>	<b>100.0</b>	<b>1,198,476</b>	<b>100.0</b>

Revenue from talent acquisition and other HR services to business users was RMB1,202.7 million for the six months ended 30 June 2022, a 17.5% increase from RMB1,023.5 million for the six months ended 30 June 2021, primarily due to the increase in average revenue per user.

Revenue from talent development services to individual users was RMB168.1 million for the six months ended 30 June 2022, a 3.5% decrease from RMB174.2 million for the six months ended 30 June 2021, primarily due to the lower willingness to pay among mid-to high-end talents facing the uncertain economic conditions.

Revenue from rental income was RMB0.8 million for the six months ended 30 June 2022, which remained comparably stable.

## Cost of Revenue

Our cost of revenue primarily comprises service and project expenses, salaries and benefits for our talent service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB287.0 million for the six months ended 30 June 2022, a 17.2% increase from RMB244.9 million for the six months ended 30 June 2021. The amortization of intangible assets resulting from acquisition was RMB8.6 million in 2022 (2021: RMB8.6 million). The percentage increase in cost of revenue was higher than the percentage increase in revenue, mainly driven by the change in product mix catering to diverse recruitment needs of our business customers, causing an increase in project expenses.

## Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB1,084.6 million for the six months ended 30 June 2022, a 13.7% increase from RMB953.6 million for the six months ended 30 June 2021. Gross profit margin slightly decreased to 79.1% for the six months ended 30 June 2022 from 79.6% for the six months ended 30 June 2021 due to the change in product mix catering to diverse recruitment needs of our business customers.

## Sales and Marketing Expenses

Our sales and marketing expenses primarily comprise salaries and benefits (including share-based compensation expenses) for sales, sales support and marketing personnel, advertising and promotion expenses and other expenses associated with our sales and marketing activities. Our sales and marketing expenses were RMB617.9 million for the six months ended 30 June 2022, a 6.8% increase from RMB578.6 million for the six months ended 30 June 2021. The share-based compensation expenses were RMB5.4 million (2021: RMB6.6 million), and the amortization of intangible assets resulting from acquisition was RMB15.7 million (2021: RMB15.7 million). Our sales and marketing expenses as a percentage of revenue decreased from 48.3% for the six months ended 30 June 2021 to 45.0% for the six months ended 30 June 2022, which was primarily due to (i) the one-off brand upgrade cost occurred in the first half of 2021 did not repeat this year; (ii) the optimization of expenses structure: By lowering our investment in branding and continuously promoting precise marketing, we were able to sufficiently save our marketing expenses and achieve a higher return on marketing investment; and (iii) the continuous enhancement in sales efficiency.

## General and Administrative Expenses

Our general and administrative expenses primarily encompass salaries and benefits (including share-based compensation expenses) for our general and administrative personnel, office expenses (including rental expense) and other operating expenses which include expected credit losses of trade receivables. Our general and administrative expenses were RMB165.5 million for the six months ended 30 June 2022, a 4.2% decrease from RMB172.6 million for the six months ended 30 June 2021, which was primarily due to the decrease in the share-based compensation expenses from RMB33.6 million for the six months ended 30 June 2021 to RMB18.2 million for the six months ended 30 June 2022, partly offset by the increase in management personnel costs driven by the group expansion. Our general and administrative expenses as a percentage of revenue decreased from 14.4% for the six months ended 30 June 2021 to 12.1% for the six months ended 30 June 2022, primarily due to the increase in efficiency of our management team.

### Research and Development Expenses

Our R&D expenses primarily comprise salaries and benefits (including share-based compensation expenses) for R&D personnel and other R&D related expenses, such as office rental and depreciation of equipment associated with R&D activities. Our R&D expenses were RMB184.2 million for the six months ended 30 June 2022, a 28.4% increase from RMB143.4 million for the six months ended 30 June 2021. In order to seize the significant long-term growth opportunities, we invested aggressively in R&D headcounts and personnel costs. The share-based compensation expenses increased from RMB8.8 million for the six months ended 30 June 2021 to RMB14.7 million for the six months ended 30 June 2022. As a percentage of revenue, our R&D expenses increased from 12.0% for the six months ended 30 June 2021 to 13.4% for the six months ended 30 June 2022, as we continued to invest in R&D to optimize our matching algorithm, launch innovative functions, strengthen the data security capability and improve our IT infrastructures.

### Other Income

Other income primarily comprises interest income from bank deposits and government grants. Our other income increased by 83.1% from RMB34.3 million for the six months ended 30 June 2021 to RMB62.8 million for the six months ended 30 June 2022, primarily as a result of the increase of government grants, and the increase of interest income due to the increase of interest rate.

### Profit from Operations

As a result of the foregoing, our profit from operations was RMB179.9 million for the six months ended 30 June 2022, a 92.9% increase from RMB93.2 million for the six months ended 30 June 2021, primarily attributable to (i) the increase in revenue as a result of the higher average revenue per user and the increase in number of paying customers; and (ii) the improving operation leverage driven by the increase in efficiency of our management and sales team.

### Net Finance Income/(Cost)

Net finance income/(cost) primarily consists of interest expenses on bank loans and other borrowings, 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 income was RMB12.2 million for the six months ended 30 June 2022, compared to a net finance cost of RMB7.5 million for the six months ended 30 June 2021, primarily as a result of the increase in foreign currency exchange gain due to appreciation of USD against RMB.

### Profit before Taxation

As a result of the foregoing, profit before taxation was RMB192.5 million for the six months ended 30 June 2022, a 123.9% increase from RMB86.0 million for the six months ended 30 June 2021.

### Income Tax

Income tax was RMB8.1 million for the six months ended 30 June 2022, compared to RMB6.2 million for the six months ended 30 June 2021.

### Profit for the Period

As a result of the aforementioned factors, profit for the period was RMB184.4 million for the six months ended 30 June 2022, a 131.2% increase from RMB79.8 million for the six months ended 30 June 2021, primarily attributable to (i) the increase in revenue as a result of the higher average revenue per user and the increase in number of paying customers; and (ii) the improving operation leverage driven by the increase in efficiency of our management and sales team.

### Three Months Ended 30 June 2022 Compared to Three Months Ended 30 June 2021

	Three months ended 30 June 2022 (unaudited) RMB'000	2021 (unaudited) RMB'000
<b>Revenue</b>	<b>722,981</b>	675,461
Cost of revenue	<u>(158,018)</u>	<u>(138,937)</u>
<b>Gross profit</b>	<b>564,963</b>	536,524
Other income	<b>39,743</b>	14,988
Sales and marketing expenses	<b>(268,394)</b>	(293,489)
General and administrative expenses	<b>(89,600)</b>	(100,567)
Research and development expenses	<u>(94,284)</u>	<u>(73,791)</u>
<b>Profit from operations</b>	<b>152,428</b>	83,665
Net finance income/(cost)	<b>16,008</b>	(8,012)
Share of results of associates	<u>376</u>	<u>113</u>
<b>Profit before taxation</b>	<b>168,812</b>	75,766
Income tax	<u>2,405</u>	<u>1,023</u>
<b>Profit for the period</b>	<u><b>171,217</b></u>	<u>76,789</u>
<b>Attributable to:</b>		
— Equity shareholders of the Company	<b>145,892</b>	61,298
— Non-controlling interests	<u>25,325</u>	<u>15,491</u>
<b>Profit for the period</b>	<u><b>171,217</b></u>	<u>76,789</u>
<b>Non-GAAP Profit from Operations</b>	<b>186,644</b>	129,511



## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

Our revenue was RMB723.0 million for the three months ended 30 June 2022, a 7.0% increase from RMB675.5 million for the three months ended 30 June 2021, which was primarily due to (i) the increase of average revenue per user, driven by up-sell and cross-sell opportunities brought by high-quality customers' diverse demands and our well-rounded product layout; and (ii) the increase in the number of paying customers, driven by resilient business model, the improvement of online talent service penetration and brand recognition. During the period under review, approximately 90.0% of our revenue was generated from providing talent acquisition and other HR services to our business users, 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 generated 9.9% of our revenues by providing talent development services to individual users, such as premium membership services, career coaching, CV advisory and certification training services. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the three months ended 30 June 2022		2021	
	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Talent acquisition and other HR services to business users	651,225	90.0	578,627	85.6
Talent development services to individual users	71,323	9.9	96,452	14.3
Rental income from investment properties	433	0.1	382	0.1
<b>Total</b>	<b>722,981</b>	<b>100</b>	<b>675,461</b>	<b>100.0</b>

Revenue from talent acquisition and other HR services to business users was RMB651.2 million for the three months ended 30 June 2022, a 12.5% increase from RMB578.6 million for the three months ended 30 June 2021, primarily due to the increase in average revenue per user.

Revenue from talent development services to individual users was RMB71.3 million for the three months ended 30 June 2022, a 26.1% decrease from RMB96.5 million for the three months ended 30 June 2021, primarily due to the lower willingness to pay among mid-to high-end talents and the postponement of the examination dates of certain certifications, as a result of the resurgence of the pandemic in the second quarter of 2022.

## Cost of Revenue

Our cost of revenue primarily comprises service and project expenses, salaries and benefits for our talent service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB158.0 million for the three months ended 30 June 2022, a 13.7% increase from RMB138.9 million for the three months ended 30 June 2021. The amortization of intangible assets resulting from acquisition was RMB4.3 million in 2022 (2021: RMB4.3 million). The percentage increase in cost of revenue was higher than the percentage increase in revenue, mainly driven by the change in product mix catering to diverse recruitment needs of our business customers, causing an increase in project expenses.

## Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB565.0 million for the three months ended 30 June 2022, a 5.3% increase from RMB536.5 million for the three months ended 30 June 2021. Gross profit margin decreased to 78.1% for the three months ended 30 June 2022 from 79.4% for the three months ended 30 June 2021 due to the change in product mix catering to diverse recruitment needs of our business customers.

## Sales and Marketing Expenses

Our sales and marketing expenses primarily comprise salaries and benefits (including share-based compensation expenses) for sales, sales support and marketing personnel, advertising and promotion expenses and other expenses associated with our sales and marketing activities. Our sales and marketing expenses were RMB268.4 million for the three months ended 30 June 2022, an 8.6% decrease from RMB293.5 million for the three months ended 30 June 2021. The share-based compensation expenses were RMB3.6 million (2021: RMB3.3 million), and the amortization of intangible assets resulting from acquisition was RMB7.8 million (2021: RMB7.9 million). Our sales and marketing expenses as a percentage of revenue decreased from 43.5% for the three months ended 30 June 2021 to 37.1% for the three months ended 30 June 2022, primarily due to (i) the one-off brand upgrade cost occurred in the second quarter of 2021 did not repeat this year; (ii) the optimization of expenses structure: By lowering our investment in branding and continuously promoting precise marketing, we were able to sufficiently save our marketing expenses and achieve a higher return on marketing investment; and (iii) the continuous enhancement in sales efficiency.

## General and Administrative Expenses

Our general and administrative expenses primarily encompass salaries and benefits (including share-based compensation expenses) for our general and administrative personnel, office expenses (including rental expense) and other operating expenses which include expected credit losses of trade receivables. Our general and administrative expenses were RMB89.6 million for the three months ended 30 June 2022, a 10.9% decrease from RMB100.6 million for the three months ended 30 June 2021, which was primarily due to the decrease in the share-based compensation expenses from RMB24.6 million for the three months ended 30 June 2021 to RMB10.5 million for the three months ended 30 June 2022, partly offset by the increase in management personnel costs driven by the group expansion. Our general and administrative expenses as a percentage of revenue decreased from 14.9% for the three months ended 30 June 2021 to 12.4% for the three months ended 30 June 2022, primarily as a result of the scale effect of our fast growing revenue.

### Research and Development Expenses

Our R&D expenses primarily comprise salaries and benefits (including share-based compensation expenses) for R&D personnel and other R&D related expenses, such as office rental and depreciation of equipment associated with R&D activities. Our R&D expenses were RMB94.3 million for the three months ended 30 June 2022, a 27.8% increase from RMB73.8 million for the three months ended 30 June 2021. In order to seize the significant long-term growth opportunities, we invested aggressively in R&D headcounts and personnel costs. The share-based compensation expenses increased from RMB5.8 million for the three months ended 30 June 2021 to RMB8.0 million for the three months ended 30 June 2022. As a percentage of revenue, our R&D expenses increased from 10.9% for the three months ended 30 June 2021 to 13.0% for the three months ended 30 June 2022, as we continued to invest in R&D to optimize our matching algorithm, launch innovative functions, strengthen the data security capability and improve our IT infrastructures.

### Other Income

Other income primarily comprises interest income from bank deposits and government grants. Our other income increased by 165.2% from RMB15.0 million for the three months ended 30 June 2021 to RMB39.7 million for the three months ended 30 June 2022, primarily as a result of the increase of government grants, and the increase of interest income due to the increase of interest rate.

### Profit from Operations

As a result of the foregoing, our profit from operations was RMB152.4 million for the three months ended 30 June 2022, a 82.2% increase from RMB83.7 million for the three months ended 30 June 2021, primarily attributable to (i) the increase in revenue as a result of the higher average revenue per user and the increase in number of paying customers; and (ii) the improving operation leverage driven by the increase in efficiency of our management and sales team.

### Net Finance Income/(Cost)

Net finance income/(cost) primarily consists of interest expenses on bank loans and other borrowings, 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 income was RMB16.0 million for the three months ended 30 June 2022, compared to a net finance cost of RMB8.0 million for the three months ended 30 June 2021, primarily as a result of the increase in foreign currency exchange gain due to the appreciation of USD against RMB.

### Profit before Taxation

As a result of the foregoing, profit before taxation was RMB168.8 million for the three months ended 30 June 2022, a 122.8% increase from RMB75.8 million for the three months ended 30 June 2021.

### Income Tax

Income tax credit was RMB2.4 million for the three months ended 30 June 2022, compared to an income tax credit RMB1.0 million for the three months ended 30 June 2021.

### Profit for the Period

As a result of the aforementioned factors, profit for the period was RMB171.2 million for the three months ended 30 June 2022, a 123.0% increase from RMB76.8 million for the three months ended 30 June 2021, primarily attributable to (i) the increase in revenue as a result of the higher average revenue per user and the increase in number of paying customers; and (ii) the improving operation leverage driven by the increase in efficiency of our management and sales team.

### Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with the IFRS and to enable the shareholders of the Company and potential investors to make an informed assessment of the Group's performance, non-GAAP operating profit of the Company (excluding share-based compensation expenses and amortization of intangible assets resulting from acquisition) has been presented in this report.

These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with the IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies. The Company's management believes that these non-GAAP financial measures provide 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 three months ended 30 June 2022		2021	
	Amount (unaudited) RMB'000	As a percentage of revenue	Amount (unaudited) RMB'000	As a percentage of revenue
Profit from Operations	152,428	21.1%	83,665	12.4%
Share-based compensation expenses	22,045		33,675	
Amortization of intangible assets resulting from acquisition	12,171		12,171	
Non-GAAP Profit from Operations	186,644	25.8%	129,511	19.2%

## MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended 30 June			
	2022		2021	
	Amount (unaudited) RMB'000	As a percentage of revenue	Amount (unaudited) RMB'000	As a percentage of revenue
Profit from Operations	179,871	13.1%	93,223	7.8%
Share-based compensation expenses	38,550		48,955	
Amortization of intangible assets resulting from acquisition	24,341		24,341	
Non-GAAP Profit from Operations	242,762	17.7%	166,519	13.9%

## 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 RMB406.5 million and RMB346.7 million as of 30 June 2022 and 30 June 2021, 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	
	2022 (unaudited) in RMB'000	2021 (unaudited)
Net cash (used in)/generated from operating activities	(27,068)	143,535
Net cash generated from/(used in) investing activities	71,259	(252,064)
Net cash used in financing activities	(136,206)	(64,390)
Net decrease in cash and cash equivalents	(92,015)	(172,919)
Effect of foreign exchange rate changes	2,727	2,702
Cash and cash equivalents at 1 January	495,778	516,944
Cash and cash equivalents at 30 June	406,490	346,727

### Net Cash (Used in)/Generated from Operating Activities

For the six months ended 30 June 2022, net cash used in operating activities was RMB27.1 million, compared to net cash generated from operating activities of RMB143.5 million for the six months ended 30 June 2021, primarily due to the delayed payment collection as a result the COVID-19 resurgence.

### Net Cash Generated from/(Used in) Investing Activities

For the six months ended 30 June 2022, net cash generated from investing activities was RMB71.3 million, compared to net cash used in investing activities of RMB252.1 million for the six months ended 30 June 2021, primarily due to the net proceeds from wealth management products.

### Net Cash Used in Financing Activities

For the six months ended 30 June 2022, net cash used in financing activities was RMB136.2 million, mainly attributable to payment for lease rentals and shares held for the Company's restricted share unit scheme, compared to RMB64.4 million for the six months ended 30 June 2021.

## GEARING RATIO

The gearing ratio (calculated as total bank and other borrowings divided by total assets/capital) of the Company as at 30 June 2022 was 0.23% (30 June 2021: 0.07%).

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.

## LOANS AND BORROWINGS

As at 30 June 2022, the Company had three bank loans with principal amount of RMB3.0 million unsecured with fixed interest rate of 4.5% due on 13 July 2022, RMB3.9 million secured by trade receivables with fixed interest rate of 5.5% due on 20 December 2022 and RMB4.2 million secured by trade receivables with fixed interest rate of 5.5% per annum due on 30 December 2022, respectively.

Save as disclosed above, the Company had no bank loans, convertible loans and borrowings nor did the Company issue any bonds.

## CONTINGENT LIABILITIES

As of 30 June 2022, 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2022 and 2021, we had foreign currency exchange gain (both realized and unrealized) of RMB17.0 million and foreign currency exchange loss (both realized and unrealized) of RMB3.1 million, respectively, recognized as net finance income/(cost) in the consolidated statement of profit or loss and other comprehensive income. The foreign currency exchange gain for the six months ended 30 June 2022 was mainly attributable to the appreciation of USD against RMB.

### CREDIT RISK

Our credit risk is mainly attributable to bank deposits, 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. 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 2022.

### LIQUIDITY RISK

Individual operating entities within the Group 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

Except for investments in its subsidiaries, there was no significant investment held by the Group as at 30 June 2022.

### PLEDGE OF ASSETS/CHARGE ON ASSETS

As at 30 June 2022, the Group's banking facilities were secured by certain of the Group's trade receivables with an aggregate amount of approximately RMB10.1 million.

Saved as disclosed above, there was no other pledge of the Group's assets as at 30 June 2022.

### MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposal of subsidiaries or associated companies during the six months ended 30 June 2022.

## USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company were approximately HKD2,804.6 million. HKD2,457.4 million out of the net proceeds have been utilized as of 30 June 2022 in the manner consistent with that disclosed in the Prospectus dated 19 June 2018 under the section headed “Future Plans and Use of Proceeds”.

During the six months ended 30 June 2022, the Group applied the net proceeds for the following purposes:

	Use of proceeds as stated in the Prospectus (in HKD'000) (approximate)	Net proceeds utilized as at 31 December 2021 (in HKD'000) (approximate)	Actual use of proceeds during the six months ended 30 June 2022 (in HKD'000) (approximate)	Net proceeds unutilized as at 30 June 2022 (in HKD'000) (approximate)	Expected time of use
40% for enhancement of R&D capabilities and product offerings	1,121,840	866,429	202,586	52,825	To be gradually used in 2022
25% for pursue of acquisitions of or investments in assets and business and support our growth strategies	701,150	363,654	43,101	294,395	To be gradually used in 2022 and 2023
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	701,150	—	—	
10% for working capital and general corporate purposes	280,460	280,460	—	—	
	<u>2,804,600</u>	<u>2,211,693</u>	<u>245,687</u>	<u>347,220</u>	

For the unutilized net proceeds in the amount of approximately HKD347.2 million as at 30 June 2022, the Company intends to apply them in the same manner and proportion as stated in the Prospectus.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, as of 30 June 2022, the Group did not have other plans for material investments and capital assets.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 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 2022, 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	Founder of a discretionary trust <sup>(1)</sup>	288,517,178	55.05
	Interest of spouse <sup>(2)</sup>	2,112,145	0.40
Mr. Chen Xingmao	Founder of a discretionary trust <sup>(3)</sup>	14,098,226	2.69

Notes:

- 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 288,517,178 shares in the Company (equivalent to approximately 55.05% of the total issued share capital of the Company as at 30 June 2022) which May Flower is interested. May Flower holds 111,276,199 shares in the Company beneficially (equivalent to approximately 21.23% of the total issued share capital of the Company as at 30 June 2022) and it was granted the following voting proxies over the ordinary shares of the Company, which in aggregate amount to 177,240,979 shares (equivalent to approximately 33.82% of the total issued share capital of the Company as at 30 June 2022) in the Company:
  - 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.;
  - 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;
  - 26,672,731 shares of the Company held by Tenzing Holdings 2011 Ltd.;
  - 11,245,748 shares of the Company held by Wisest Holding Co., Limited;
  - 14,098,226 shares of the Company held by Xiaoying Information Technology Co., Limited; and
  - 26,112,382 shares of the Company held by Yiheng Capital, LLC and/or its affiliates.
- 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.

3. 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.

### 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 <sup>(1)</sup>	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 2022, 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 2022, 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 <sup>(1)</sup>	2,112,145 (long position)	0.40
	Interest of spouse <sup>(2)</sup>	288,517,178 (long position)	55.05
May Flower Information Technology Co., Limited <sup>(3)</sup>	Beneficial owner	111,276,199 (long position)	21.23
	Other (Interest in shares held through voting proxies)	177,240,979 (long position)	33.82
Tenzing Holdings 2011 Ltd. <sup>(4)</sup>	Beneficial owner	26,672,731 (long position)	5.09
Tenzing Holdings, LLC <sup>(4)</sup>	Interest of controlled corporation	26,672,731 (long position)	5.09
South Dakota Trust Company LLC <sup>(4)</sup>	Trustee	26,672,731 (long position)	5.09
Matrix Partners China I, L.P. <sup>(5)</sup>	Beneficial owner	61,774,892 (long position)	11.79
Matrix China Management I, L.P. <sup>(5)</sup>	Interest of controlled corporation	68,034,019 (long position)	12.98
Matrix China I GP GP, Ltd. <sup>(5)</sup>	Interest of controlled corporation	68,034,019 (long position)	12.98
Giant Lilly Investment Ltd <sup>(6)</sup>	Beneficial owner	81,309,219 (long position)	15.51

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Capacity/ Nature of Interest	Total number of shares	Approximate Percentage of Shareholding Interest (%)
Warburg Pincus Private Equity XI, L.P. <sup>(6)</sup>	Interest of controlled corporation	81,309,219 (long position)	15.51
Warburg Pincus XI, L.P. <sup>(6)</sup>	Interest of controlled corporation	81,309,219 (long position)	15.51
WP Global LLC <sup>(6)</sup>	Interest of controlled corporation	81,309,219 (long position)	15.51
Warburg Pincus Partners II, L.P. <sup>(6)</sup>	Interest of controlled corporation	81,309,219 (long position)	15.51
Warburg Pincus Partners GP LLC <sup>(6)</sup>	Interest of controlled corporation	81,309,219 (long position)	15.51
Warburg Pincus & Co. <sup>(6)</sup>	Interest of controlled corporation	81,309,219 (long position)	15.51
FMR LLC <sup>(7)</sup>	Interest of controlled corporation	52,370,565 (long position)	9.99
Yiheng Capital, LLC	Beneficial owner	42,165,499 (long position)	8.04
Morgan Stanley <sup>(8)</sup>	Interest of controlled corporation	27,781,619 (long position)	5.30
		18,312,044 (short position)	3.49

### Notes:

- 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.
- Mr. Dai Kebin is the spouse of Ms. Song Yueting. Mr. Dai Kebin is interested in 288,517,178 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 page 28 of this interim report.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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 288,517,178 shares in the Company (equivalent to approximately 55.05% of the total issued share capital of the Company as at 30 June 2022) which May Flower is interested. May Flower beneficially holds 111,276,199 shares in the Company (equivalent to approximately 21.23% of the total issued share capital of the Company as at 30 June 2022) and it was granted the following voting proxies over the ordinary shares of the Company, which in aggregate amount to 177,240,979 shares (equivalent to approximately 33.82% of the total issued share capital of the Company as at 30 June 2022) 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) 26,672,731 shares of the Company held by Tenzing Holdings 2011 Ltd.;
  - (iv) 11,245,748 shares of the Company held by Wisest Holding Co., Limited;
  - (v) 14,098,226 shares of the Company held by Xiaoying Information Technology Co., Limited; and
  - (vi) 26,112,382 shares of the Company held by Yiheng Capital, LLC and/or its affiliates.
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 6,259,127 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 relevant interests of FMR LLC are held via its subsidiaries.
8. The relevant interests of Morgan Stanley are held via its subsidiaries. Pursuant to the disclosure of interest notice filed by Morgan Stanley on 8 July 2022, it ceased to be a substantial shareholder of the Company.

Save as disclosed above, as at 30 June 2022, 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 2022, we had 5,238 employees (as at 30 June 2021: 5,282 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 8.18% of the total issued share capital of the Company as at 30 June 2022. 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.

As at 30 June 2022, options to subscribe for 3,951,835 shares of the Company, representing approximately 0.75% of the total issued share capital of the Company were outstanding, and 28,585,710 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 2022 are as follows:

Grantee	Date of grant of share options	Number of Share Options					Exercise period of share options	Exercise price of share options	Weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised
		Outstanding as at 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Outstanding as at 30 June 2022			
In aggregate	January 2012 to June 2018	4,336,105	—	354,270	30,000	3,951,835	June 2018 to June 2028	US\$0.0268 to US\$2.50	HKD9.92
<b>Total</b>		<b>4,336,105</b>	<b>—</b>	<b>354,270</b>	<b>30,000</b>	<b>3,951,835</b>			

### 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 2022, the remaining life of the Post-IPO Share Option Scheme is around 8 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, which represented approximately 9.45% of the issued shares of the Company as at the date of this report, 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 total number of shares that remain available for issue under the Post-IPO Share Option Scheme was 34,555,946 shares as at the date of this report, which represented approximately 6.59% of the issued shares of the Company. As at 30 June 2022, options to subscribe for 14,800,000 shares of the Company, representing 2.82% of the total issued share capital of the Company, were outstanding and no option granted under the Post-IPO Share Option Scheme has been 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 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**”).

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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of movements in the options granted under Post-IPO Share Option Scheme during the year ended 31 December 2021 and during the six months ended 30 June 2022 are as follows:

### During the year ended 31 December 2021

Category of participants	Number of share options						Date of grant of share options	Exercise price of share options HK\$	Exercise period of share options	Share closing price immediately before the date of grant of share options HK\$	Weighted average share closing price immediately before the exercise dates HK\$	Notes
	At 1 January 2021	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	At 31 December 2021						
Employees of the Group	—	8,000,000	—	—	—	8,000,000	12 October 2021	11.460	12 October 2022 to 11 October 2031	12.00	—	(3)
	—	1,250,000	—	—	150,000	1,100,000	23 March 2021	19.940	23 March 2022 to 22 March 2031	20.00	—	(2)
	1,700,000	—	—	—	100,000	1,600,000	17 July 2020	16.548	17 July 2021 to 16 July 2030	16.10	—	(2)
	500,000	—	—	—	—	500,000	3 July 2020	18.096	3 July 2021 to 2 July 2030	16.88	—	(2)
	350,000	—	—	—	—	350,000	31 March 2020	15.500	31 March 2021 to 30 March 2030	15.34	—	(2)
	850,000	—	—	—	—	850,000	20 November 2019	18.220	20 November 2020 to 19 November 2029	19.22	—	(1)
	2,250,000	—	—	—	400,000	1,850,000	6 September 2019	18.300	6 September 2020 to 5 September 2029	18.52	—	(1)
<b>Total</b>	<b>5,650,000</b>	<b>9,250,000</b>	<b>—</b>	<b>—</b>	<b>650,000</b>	<b>14,250,000</b>						

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### During the six months ended 30 June 2022

Category of participants	Number of share options						Date of grant of share options	Exercise price of share options HK\$	Exercise period of share options	Share closing price immediately before the date of grant of share options HK\$	Weighted average share closing price immediately before the exercise dates HK\$	Notes
	At 1 January 2022	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	At 30 June 2022						
Employees of the Group	—	400,000	—	—	—	400,000	1 April 2022	17.608	1 April 2023 to 31 March 2032	17.66	—	(3)
	—	600,000	—	—	—	600,000	10 January 2022	17.780	10 January 2023 to 9 January 2032	16.82	—	(3)
	8,000,000	—	—	—	—	8,000,000	12 October 2021	11.460	12 October 2022 to 11 October 2031	12.00	—	(3)
	1,100,000	—	—	—	—	1,100,000	23 March 2021	19.940	23 March 2022 to 22 March 2031	20.00	—	(2)
	1,600,000	—	—	—	100,000	1,500,000	17 July 2020	16.548	17 July 2021 to 16 July 2030	16.10	—	(2)
	500,000	—	—	—	—	500,000	3 July 2020	18.096	3 July 2021 to 2 July 2030	16.88	—	(2)
	350,000	—	—	—	—	350,000	31 March 2020	15.500	31 March 2021 to 30 March 2030	15.34	—	(2)
	850,000	—	—	—	50,000	800,000	20 November 2019	18.220	20 November 2020 to 19 November 2029	19.22	—	(1)
	1,850,000	—	—	—	300,000	1,550,000	6 September 2019	18.300	6 September 2020 to 5 September 2029	18.52	—	(1)
Total	14,250,000	1,000,000	—	—	450,000	14,800,000						

### Notes:

- (1) 50% of the share options shall vest on the second anniversary of the respective date of grant, 25% of share options granted shall vest on the third anniversary of the respective dates of grant and the remaining 25% of share options granted shall vest on the fourth anniversary of the respective dates of grant (the “**2019 Vesting Period**”).
- (2) On 20 August 2021, certain key terms related to vesting rules of the Post-IPO Share Option Scheme have been amended. After the amendment of the 2019 Vesting Period, 25% of the share options granted shall vest on the first anniversary of the respective dates of grant, 25% of the share options granted shall vest on the second anniversary of the respective dates of grant, 25% of share options granted shall vest on the third anniversary of the respective dates of grant and the remaining 25% of share options granted shall vest on the fourth anniversary of the respective dates of grant.
- (3) 25% of the share options granted shall vest on the first anniversary of the respective dates of grant, 25% of the share options granted shall vest on the second anniversary of the respective dates of grant, 25% of share options granted shall vest on the third anniversary of the respective dates of grant and the remaining 25% of share options granted shall vest on the fourth anniversary of the respective dates of grant.

The Company's estimate of the fair value of its share options is subject to subjectivity and uncertainty because of the limitation of the model we adopt and that a number of assumptions are used. For the accounting policy adopted for the share options and the estimated fair value of the options granted during the six months ended 30 June 2022, respectively, please refer to Note 2(s) to the consolidated financial statements for the year ended 31 December 2021 and Note 14(c) to this interim report.

### 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.

The remaining life of the RSU Scheme is around 8 years.

Details of movements in the RSUs granted under the RSU Scheme during the six months ended 30 June 2022 are as follows:

Grantee	Dates of grant RSU	Number of RSUs					Vesting period of RSUs
		Outstanding as at 1 January 2022	Granted during the Reporting Period	Forfeited during the Reporting Period	Vested during the Reporting Period	Outstanding as at 30 June 2022	
Employees of the Group	10 January 2022	—	676,000	120,000	—	556,000	4 Years
	16 February 2022	—	6,000	—	6,000	—	Less Than 1 Year (note)
	30 April 2022	—	1,230,000	30,000	—	1,200,000	4 Years
Total		5,940,923	1,912,000	518,782	1,092,177	6,241,964	4 Years

Note:

The RSU is officially vested once the grantee reaches the agreed performance milestones in one installment.

## 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 2022.

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

Since 23 May 2022, an independent non-executive Director of the Company, Mr. Choi Onward, was appointed as an independent non-executive director of Infinities Technology International (Cayman) Holding Limited (formerly known as “Jiu Zun Digital Interactive Entertainment Group Holdings Limited”), the shares of which are listed on the Main Board of Hong Kong Stock Exchange (Stock code:1961).

Mr. Ding Gordon Yi has resigned as a non-executive Director since 17 June 2022 and ceased to be a member of the remuneration committee of the Company accordingly. Mr. Ye Yaming has been appointed as a member of the remuneration committee of the Company with effect from 17 June 2022.

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 2022.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules as the basis of the Company's corporate governance practices and has complied with the code provisions as set out in the CG Code during the six months ended 30 June 2022 except for the following deviation from the Code Provision C.2.1 of the CG Code.

We do not have a separate chairman and chief executive officer and Mr. Dai Kebin currently performs these two roles. While this constitutes a deviation from the Code Provision C.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 seven 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 as its own code of conduct regarding Directors' securities transactions. 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 2022.

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 consolidated interim financial results of the Group for the six months ended 30 June 2022, and considered that the unaudited consolidated interim financial results for the six months ended 30 June 2022 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

On 4 July 2022, a total of 200,000 share options were granted to certain eligible participants pursuant to the Company's post-IPO share option scheme to subscribe for a total of 200,000 shares. None of the grantees of the share options is a director, chief executive or substantial shareholder of the Company or an associate of any of them. Please refer to the announcement made by the Company dated 4 July 2022 for details.

Pursuant to the disclosure of interest notice filed by Morgan Stanley on 8 July 2022, it ceased to be a substantial shareholder of the Company.

Save as disclosed above, after the Reporting Period and up to the date of this report, there are no other significant events occurred that may affect the Group.

## INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2022 to the shareholders of the Company.

By Order of the Board  
**Tongdao Liepin Group**  
**Dai Kebin**  
*Chairman*

The PRC, 19 August 2022



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022 — unaudited  
(Expressed in RMB)

		Six months ended 30 June	
		2022	2021
	Note	RMB'000	RMB'000
<b>Revenue</b>	3	<b>1,371,630</b>	1,198,476
Cost of revenue		<b>(287,016)</b>	(244,904)
<b>Gross profit</b>		<b>1,084,614</b>	953,572
Other income	4	<b>62,784</b>	34,290
Sales and marketing expenses		<b>(617,886)</b>	(578,607)
General and administrative expenses		<b>(165,457)</b>	(172,634)
Research and development expenses		<b>(184,184)</b>	(143,398)
<b>Profit from operations</b>		<b>179,871</b>	93,223
Net finance income/(cost)	5	<b>12,191</b>	(7,486)
Share of results of associates		<b>445</b>	237
<b>Profit before taxation</b>	5	<b>192,507</b>	85,974
Income tax	6	<b>(8,115)</b>	(6,221)
<b>Profit for the period</b>		<b>184,392</b>	79,753
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>142,172</b>	53,439
Non-controlling interests		<b>42,220</b>	26,314
<b>Profit for the period</b>		<b>184,392</b>	79,753
<b>Earnings per share</b>	7		
Basic (RMB Cent)		<b>28.16</b>	10.46
Diluted (RMB Cent)		<b>28.00</b>	10.34

The notes on pages 51 to 60 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022 — unaudited  
(Expressed in RMB)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>184,392</b>	79,753
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas group entities	<b>78,407</b>	(17,601)
<b>Other comprehensive income for the period</b>	<b>78,407</b>	(17,601)
<b>Total comprehensive income for the period</b>	<b>262,799</b>	62,152
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>220,579</b>	35,838
Non-controlling interests	<b>42,220</b>	26,314
<b>Total comprehensive income for the period</b>	<b>262,799</b>	62,152

The notes on pages 51 to 60 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022 — unaudited  
(Expressed in RMB)

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	8	174,193	205,757
Investment properties		24,460	24,975
Intangible assets		151,175	177,083
Goodwill		855,651	855,651
Prepayments for investments		2,500	2,500
Interests in associate		9,111	8,815
Other financial assets		208,988	178,699
Deferred tax assets		23,086	20,858
Other non-current assets		6,005	5,005
Time deposits with banks	11	1,914,904	1,678,722
		<b>3,370,073</b>	3,158,065
<b>Current assets</b>			
Trade receivables	9	179,710	93,539
Prepayments and other receivables	10	143,666	147,945
Receivables from related parties	16	7,120	7,008
Other current assets		733,363	876,107
Time deposits with banks	11	15,000	107,482
Cash and cash equivalents	12	406,490	495,778
		<b>1,485,349</b>	1,727,859
<b>Current liabilities</b>			
Trade and other payables	13	401,108	495,541
Contract liabilities		894,109	988,618
Interest-bearing borrowings		11,080	—
Lease liabilities		53,538	66,718
Current taxation		15,728	33,030
		<b>1,375,563</b>	1,583,907

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022 — unaudited (continued)  
(Expressed in RMB)

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
<b>Net current assets</b>	<b>109,786</b>	143,952
<b>Total assets less current liabilities</b>	<b>3,479,859</b>	3,302,017
<b>Non-current liabilities</b>		
Lease liabilities	62,229	80,210
Deferred tax liabilities	22,529	26,376
	<b>84,758</b>	106,586
<b>NET ASSETS</b>	<b>3,395,101</b>	3,195,431
<b>CAPITAL AND RESERVES</b>		
Share capital	341	341
Reserves	3,140,779	2,982,223
<b>Total equity attributable to equity shareholders of the Company</b>	<b>3,141,120</b>	2,982,564
<b>Non-controlling interests</b>	<b>253,981</b>	212,867
<b>TOTAL EQUITY</b>	<b>3,395,101</b>	3,195,431

The notes on pages 51 to 60 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022 — 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 reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2021</b>	340	2,767,035	(184,071)	75,809	28,134	187,314	2,874,561	168,023	3,042,584
<b>Changes in equity for the six months ended 30 June 2021:</b>									
Profit for the period	—	—	—	—	—	53,439	53,439	26,314	79,753
Other comprehensive income	—	—	—	—	(17,601)	—	(17,601)	—	(17,601)
Total comprehensive income	—	—	—	—	(17,601)	53,439	35,838	26,314	62,152
Shares held for the RSU scheme of the Company	14(b)	—	—	(18,919)	—	—	(18,919)	—	(18,919)
Vesting of shares under RSU scheme	—	79	1,608	(1,687)	—	—	—	—	—
Shares issued under share option scheme	1	29,442	—	(21,963)	—	—	7,480	—	7,480
Capital injection from non-controlling owners	—	—	—	—	—	—	—	1,945	1,945
Dividend paid to non-controlling owners	—	—	—	—	—	—	—	(2,429)	(2,429)
Share-based compensation expenses	14(c)	—	—	48,955	—	—	48,955	—	48,955
<b>Balance at 30 June 2021</b>	341	2,796,556	(201,382)	101,114	10,533	240,753	2,947,915	193,853	3,141,768
<b>Balance at 1 July 2021</b>	341	2,796,556	(201,382)	101,114	10,533	240,753	2,947,915	193,853	3,141,768
<b>Changes in equity for the six months ended 31 December 2021:</b>									
Profit for the period	—	—	—	—	—	80,986	80,986	30,690	111,676
Other comprehensive income	—	—	—	—	(22,306)	—	(22,306)	—	(22,306)
Total comprehensive income	—	—	—	—	(22,306)	80,986	58,680	30,690	89,370
Shares held for the RSU scheme of the Company	14(b)	—	—	(63,725)	—	—	(63,725)	—	(63,725)
Vesting of shares under RSU scheme	—	2,583	40,491	(43,074)	—	—	—	—	—
Shares issued under share option scheme	—	11,049	—	(9,079)	—	—	1,970	—	1,970
Capital withdrew by non-controlling owners	—	—	—	—	—	—	—	(147)	(147)
Purchase of non-controlling interests	—	—	—	(6,704)	—	—	(6,704)	(821)	(7,525)
Dividend paid to non-controlling owners	—	—	—	—	—	—	—	(10,708)	(10,708)
Share-based compensation expenses	14(c)	—	—	44,428	—	—	44,428	—	44,428
<b>Balance at 31 December 2021</b>	341	2,810,188	(224,616)	86,685	(11,773)	321,739	2,982,564	212,867	3,195,431

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022 — unaudited (continued)  
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
		Share capital	Share premium	Shares held for RSU scheme	Capital reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<b>Balance at 1 January 2022</b>	<b>341</b>	<b>2,810,188</b>	<b>(224,616)</b>	<b>86,685</b>	<b>(11,773)</b>	<b>321,739</b>	<b>2,982,564</b>	<b>212,867</b>	<b>3,195,431</b>
	<b>Changes in equity for the six months ended 30 June 2022:</b>									
	Profit for the period	—	—	—	—	—	142,172	142,172	42,220	184,392
	Other comprehensive income	—	—	—	—	78,407	—	78,407	—	78,407
	Total comprehensive income	—	—	—	—	78,407	142,172	220,579	42,220	262,799
	Shares held for the RSU scheme of the Company	14(b)	—	(92,329)	—	—	—	(92,329)	—	(92,329)
	Vesting of shares under RSU scheme	—	4,590	16,072	(20,662)	—	—	—	—	—
	Shares issued under share option scheme	—	7,580	—	(5,482)	—	—	2,098	—	2,098
	Capital injection from non-controlling owners	—	—	—	(793)	—	—	(793)	851	58
	Capital injection into subsidiary	—	—	—	(2,009)	—	—	(2,009)	2,103	94
	Dividend paid to non-controlling owners	—	—	—	—	—	—	—	(11,600)	(11,600)
	Share-based compensation expenses	14(c)	—	—	31,010	—	—	31,010	7,540	38,550
	<b>Balance at 30 June 2022</b>	<b>341</b>	<b>2,822,358</b>	<b>(300,873)</b>	<b>88,749</b>	<b>66,634</b>	<b>463,911</b>	<b>3,141,120</b>	<b>253,981</b>	<b>3,395,101</b>

The notes on pages 51 to 60 form part of this interim financial report.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022 — unaudited  
(Expressed in RMB)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
<b>Operating activities</b>			
Cash generated from operations		4,423	169,989
Tax paid		(31,491)	(26,454)
<b>Net cash (used in)/generated from operating activities</b>		<b>(27,068)</b>	<b>143,535</b>
<b>Investing activities</b>			
Proceeds from maturity of wealth management products		832,970	481,217
Payment for the purchase of property, plant and equipment, and intangible assets		(9,267)	(9,549)
Payment for the purchase of equity securities		(28,000)	(11,000)
Payment for business acquisitions net of cash acquired		(8,050)	(54,237)
Payment for the purchase of wealth management products		(682,500)	(579,600)
Other cash flows arising from investing activities		(33,894)	(78,895)
<b>Net cash generated from/(used in) investing activities</b>		<b>71,259</b>	<b>(252,064)</b>
<b>Financing activities</b>			
Proceeds from interest-bearing borrowings		33,000	3,000
Repayments of interest-bearing borrowings		(22,002)	—
Shares held for RSU scheme		(97,739)	(37,151)
Interest element of lease rentals paid		(3,249)	(3,409)
Capital element of lease rentals paid		(36,676)	(28,719)
Other cash flows arising from financing activities		(9,540)	1,889
<b>Net cash used in financing activities</b>		<b>(136,206)</b>	<b>(64,390)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(92,015)</b>	<b>(172,919)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>495,778</b>	<b>516,944</b>
<b>Effect of foreign exchanges rates changes</b>		<b>2,727</b>	<b>2,702</b>
<b>Cash and cash equivalents at 30 June</b>	12	<b>406,490</b>	<b>346,727</b>

The notes on pages 51 to 60 form part of this interim financial report.

# NOTES TO THE UNAUDITED 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 19 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 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 condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed 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 2021 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 Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The application of the amendments to IFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 3 REVENUE

#### Disaggregation of revenue

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

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
— Services to business customers	1,202,670	1,023,545
— Services to individual paying users	168,134	174,166
<b>Revenue from other sources</b>		
— Rental income from investment properties	826	765
	<b>1,371,630</b>	<b>1,198,476</b>

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 2021 and 2022.

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	
	2022 RMB'000	2021 RMB'000
Interest income from bank deposits	14,954	17,804
Investment income from wealth management products	12,906	5,269
Government grant	23,180	6,845
Additional deduction for value added tax	4,955	3,692
Dividend income	6,157	—
Others	632	680
	<b>62,784</b>	<b>34,290</b>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>(a) Net finance income/(cost)</b>		
Interest on bank loans and other borrowings	(691)	(39)
Interest on lease liabilities	(3,249)	(3,409)
Foreign currency exchange gain/(loss)	17,009	(3,144)
Bank charges and other finance costs	(878)	(894)
	<b>12,191</b>	<b>(7,486)</b>
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>(b) Other items</b>		
Depreciation charge		
— owned property, plant and equipment and investment properties	11,604	9,274
— right-of-use assets	34,175	29,182
Amortization of intangible assets	25,908	26,915
Expected credit losses of trade receivables and other receivables	9,827	802
Operating lease charge	4,252	5,074
Auditors' remuneration — Audit service	3,165	3,022

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 6 INCOME TAX

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Current tax	(14,190)	(14,077)
Deferred taxation	6,075	7,856
	<b>(8,115)</b>	<b>(6,221)</b>

*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 RMB142,172 thousand (six months ended 30 June 2021: RMB53,439 thousand) and the weighted average of 504,934,887 ordinary shares (2021: 510,927,701) 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 RMB142,172 thousand (six months ended 30 June 2021: RMB53,439 thousand) and the weighted average number of ordinary shares of 507,796,833 (2021: 516,647,679).

### 8 INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

#### (a) Right-of-use assets

During the six months ended 30 June 2022, the Group entered into a number of lease agreements for offices, and therefore recognised the additions to right-of-use assets of RMB9,020 thousand.

#### (b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2022, the Group acquired items of office equipment and others and leasehold improvements with a cost of RMB7,878 thousand (six months ended 30 June 2021: RMB8,451 thousand). Items of Office equipment and others with a net book value of RMB5 thousand were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: RMB699 thousand), resulting in a loss on disposal of RMB3 thousand (six months ended 30 June 2021: loss of RMB667 thousand).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 9 TRADE RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade receivables — measured at amortized cost	179,710	93,539

#### 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 2022 RMB'000	At 31 December 2021 RMB'000
Within 60 days	177,962	91,556
60 days to 1 year	1,748	1,983
	179,710	93,539

### 10 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Prepayments to suppliers	67,692	53,927
Other receivables	69,832	74,667
Interest receivable	6,142	19,351
	143,666	147,945

### 11 TIME DEPOSITS WITH BANKS

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 year	15,000	107,482
Over 1 year	1,914,904	1,678,722
Time deposits with banks with initial maturity of over three months	1,929,904	1,786,204

Time deposits with banks are able to withdraw in advance as needed. As of the date of this report, the Group did not intend to withdraw in advance.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 12 CASH AND CASH EQUIVALENTS

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Demand deposits with banks	406,490	495,778
Cash and cash equivalents	406,490	495,778

### 13 TRADE AND OTHER PAYABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade payables to third parties	76,121	54,042
Salary and welfare payable	227,732	314,897
Other tax payables	64,728	80,787
Other payables	32,527	45,815
	401,108	495,541

#### 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 2022 RMB'000	At 31 December 2021 RMB'000
Within 30 days	69,752	48,717
30 days to 1 year	6,369	5,325
	76,121	54,042

## 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. In 2022, the Company directed Future share Limited, the special purpose vehicle established by the RSU Trustee, which was intended to hold the shares under the RSU Scheme, to purchase the shares of the Company 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
January 2022	1,118,800	16.31	13.24	16,730
February 2022	817,000	16.24	15.04	12,898
March 2022	1,625,400	15.27	12.07	22,955
April 2022	1,353,400	14.75	10.79	16,715
May 2022	1,456,000	12.82	11.02	16,876
June 2022	703,600	10.46	8.07	6,155

### (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. 1,000,000 share options were granted during the six months ended 30 June 2022. The options vest after one to four years from the date of grant and are then exercisable within a period of ten years. Each option gives the holder the right to subscribe for one ordinary share in the company and is settled gross in shares. As of the six months ended 30 June 2022, certain options were exercised to subscribe for 354,270 ordinary shares with nominal value of USD0.0001 each. The total consideration was RMB2,098 thousand, RMB238 of which was credited to share capital and RMB2,098 thousand was credited to share premium.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 14 CAPITAL, RESERVES AND DIVIDENDS (continued)

#### (c) Equity settled share-based transactions (continued)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted during the six months ended 30 June 2022 is measured based on a binomial option-pricing model.

	Six months ended 30 June 2022 RMB
Fair value at measurement date	6.50–6.72
Share price	14.06–14.51
Exercise price	14.28–14.51
Expected volatility	52.97%–53.00%
Expected dividend yield	0%
Risk-free interest rate	1.8%–2.3%

#### (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 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 2022 was 30.08% (2021: 34.60%).

**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 was as follows:

	<b>At 30 June 2022 RMB'000</b>	<b>At 31 December 2021 RMB'000</b>
Current assets	<b>1,485,349</b>	1,727,859
Non-current assets	<b>3,370,073</b>	3,158,065
Total assets	<b>4,855,422</b>	4,885,924
Current liabilities	<b>1,375,563</b>	1,583,907
Non-current liabilities	<b>84,758</b>	106,586
Total liabilities	<b>1,460,321</b>	1,690,493
Liability-to-asset ratio	<b>30.08%</b>	34.60%

**15 COMMITMENTS**

The Group has no capital commitment outstanding at 30 June 2022 and 31 December 2021 not provided for in the financial statements.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

### 16 MATERIAL RELATED PARTY TRANSACTIONS

	Note	Amounts due from related parties		Amounts due to related parties	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		RMB'000	RMB'000	RMB'000	RMB'000
Loan to members of key management personnel	(i)	2,120	2,008	—	—
Loans to investment company	(ii)	5,000	5,000	—	—
Other receivable proceeds from share issued under share option	(iii)	7,245	7,093	—	—
Loans to Duomian (Beijing)	(iv)	2,000	2,000	727	1,200

- (i) The Group made the loan to Mr. Chen Xingmao in accordance with the Executive Loan Benefits Program, amounting to HKD3.3 million with an annual interest rate of 2%, mortgaged by his real estate. The term of loan was from 31 May 2019 to 30 May 2020. Mr. Chen Xingmao repaid HKD1 million in 2021. The remaining loan has been extended to May 2023.
- (ii) The Group made the loan to Hebei Lepin Human Resources Service Co., Ltd. ("**Hebei Lepin**") under two loan agreements signed between the two parties. The term of the RMB5 million loan was from 3 June 2019 to 2 June 2020 and has been extended to 2 June 2023. The term of the RMB3 million loan was from 24 July 2019 to 23 July 2020 and has been repaid in 2021. During the extension period, the loans were unsecured with interest rate 10% per annum. The Group held 23.57% shares in Hebei Lepin and recognised the investment as other financial assets — unlisted equity securities at FVTPL as the Group has a put option over this investment.
- (iii) The outstanding balances with these related parties are included in "Prepayments and other receivables" (see note 10).
- (iv) The Group made the loan to Duomian (Beijing) Technology Co., Ltd. ("**Duomian (Beijing)**") under a loan agreement signed between the two parties. The term of the loan was from 19 February 2021 to 18 February 2023. Duomian (Beijing) was controlled by the spouse of a director of the Company. The Group purchased technical services of RMB1,706 thousand (six months ended 30 June 2021: RMB3,587 thousand) from Duomian (Beijing) during the six months ended 30 June 2022. As at 30 June 2022, the amount due to Duomian (Beijing) is RMB727 thousand (2021: RMB1,200 thousand).

### 17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 4 July 2022, a total of 200,000 share options were granted to certain eligible participants pursuant to the Company's post-IPO share option scheme to subscribe for a total of 200,000 shares. None of the grantees of the share options is a director, chief executive or substantial shareholder of the Company or an associate of any of them.

Save as disclosed above, after the Reporting Period and up to the date of this report, there are no other significant events occurred that may affect the Group.