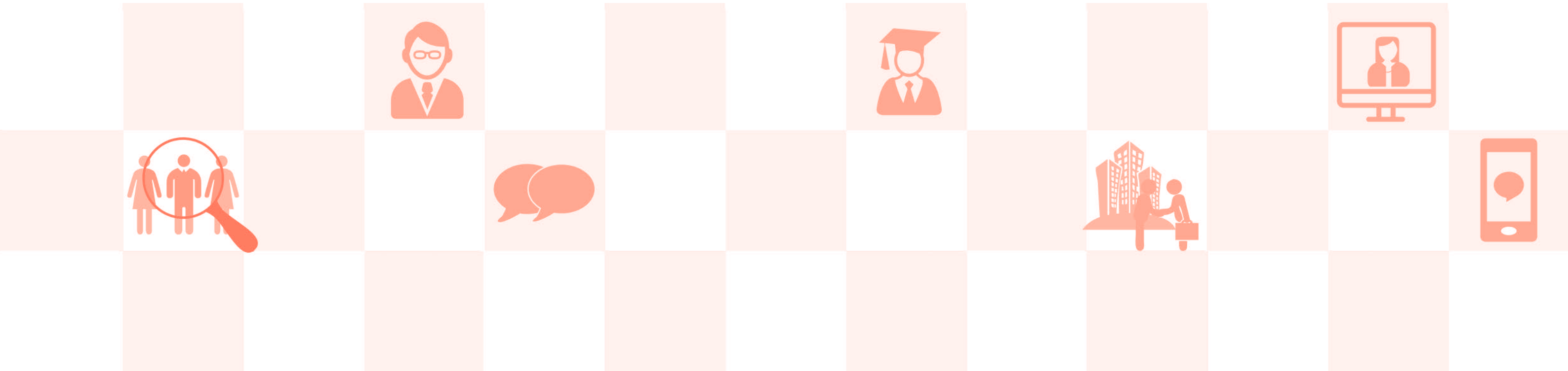
猎聘

Tongdao Liepin Group
同道獵聘集團

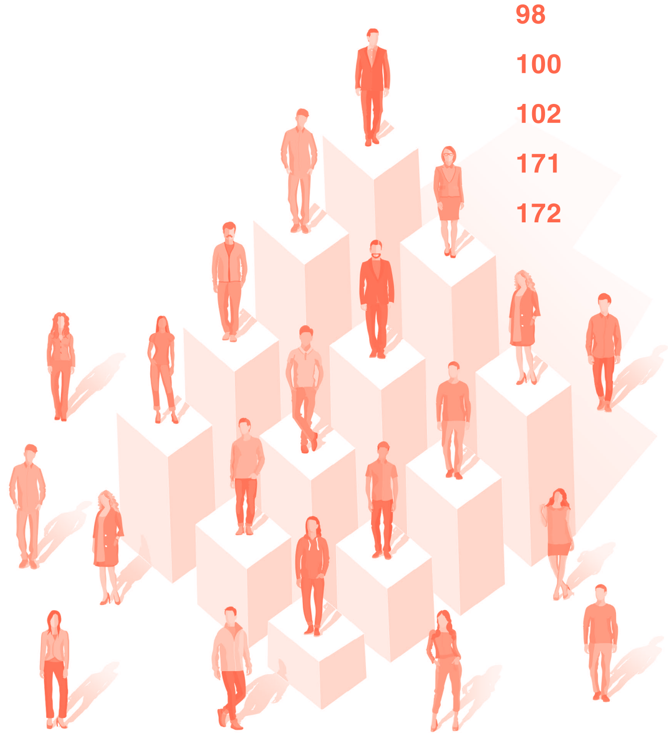
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6100)

ANNUAL REPORT 2022



CONTENTS



DEFINITIONS

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

"AGM"	annual general meeting
"AI"	artificial intelligence
"Articles of Association"	the articles of association of the Company
"Audit Committee"	the audit committee of our Company
"Average annual salary of registered individual users"	the average annual salary of all registered individual users who have provided to the Company with their salary information, which accounted for a substantial majority of all registered individual users
"Board"	the board of directors of our Company
"Business customers"	verified business users that have existing contracts with us as of a given date, excluding business customers with trial subscription
"CCTV"	China Central Television
"CG Code"	the Corporate Governance Code (formerly known as "the Corporate Governance Code and Corporate Governance Report") as set out in Appendix 14 to the Listing Rules
"Company", "our Company", or "the Company"	Tongdao Liepin Group (formerly known as Wise Talent Information Technology Co., Ltd) (Stock Code: 6100), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 30 January 2018, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"Consolidated Affiliated Entities"	Wisest, TD Elite and Liedao and their respective subsidiaries and branches, the financial accounts of which have been consolidated and accounted for as if they were wholly-owned subsidiaries of our Company by virtue of the Contractual Arrangements
"Contractual Arrangements"	the series of contractual arrangements entered into by Tongdao Liepin (Tianjin) with Wisest, TD Elite and Liedao and their respective relevant shareholders
"Director(s)"	the director(s) of our Company
"FIFA"	Fédération Internationale de Football Association

"GAAP"	Generally Accepted Accounting Principles
"GDP"	Gross Domestic Product
"Headhunter-assisted, closed-loop talent acquisition services"	end-to-end talent acquisition services that are delivered on an one-stop integrated platform, facilitated by headhunters, to business customers
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HR"	Human Resource
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"ICP License"	Value-added Telecommunications Services Operating Permit for Internet Information Services
"IFRS"	International Financial Reporting Standards, amendments, and interpretations, as issued by IASB
"Individual paying users"	the individual users that have previously subscribed for the Company's premium membership services or CV advisory services at least once as of a given date
"Individual users"	the individual users that have completed all required registration and verification procedures for our talent development services to the Group's satisfaction
"IT"	information technology
"Job postings"	active and open positions posted by our verified business users and verified headhunters on our online platform, excluding those that have been removed upon the completion of the hiring process or due for more than 90 days
"Liedao"	Liedao Information Technology Co., Ltd. (獵道信息技術有限公司), a LLC established in Tianjin, the PRC on 25 April 2014, one of our Consolidated Affiliated Entities by virtue of the Contractual Arrangements
"Liepin Group", "Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"Liepin (HK)"	Liepin (HK) Information Technology Co., Limited, a wholly-owned subsidiary of the Company

"Listing Date"	29 June 2018, being the date on which the shares of the Company were listed on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LLC"	limited liability company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Nomination Committee"	the nomination committee of our Company
"Number of CVs"	number of professional profiles of registered individual users presented to business customers that typically include at least the name, gender, age, location, contact number, current employer, title, salary and industry of such registered individual users
"PRC"	the People's Republic of China
"PRC Data Security Law"	Data Security Law of the PRC
"Prospectus"	the prospectus of the Company, dated 19 June 2018, in relation to its global offering
"R&D"	research and development
"Registered individual users"	the individual users that have completed all required registration and verification procedures to the Company's satisfaction, which include both individual paying users and individual non-paying users as of a given date
"Remuneration Committee"	the remuneration committee of our Company
"Reorganization"	the reorganization arrangements undertaken by the Group in preparation for the listing of the shares of the Company on the Main Board of the Hong Kong Stock Exchange
"Reporting Period"	the year ended 31 December 2022
"RMB"	Renminbi, the lawful currency of PRC
"Saiyou" or "Beijing Saiyou"	Beijing Saiyou Education Technology Co., Ltd. (北京賽優職教育科技有限公司), a LLC established in the PRC on 30 May 2014

"SaaS"	software-as-a-solution, which refers to the Company's talent services delivery model where the Company hosts a range of proprietary software solutions and provides them to the Company's registered individual users, verified business users and verified headhunters over the internet
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Talent services"	talent acquisition services, other HR services, and talent development services provided to business users and individual users, as the case may be
"TD Elite"	TD Elite (Tianjin) Information Technology Co., Limited (同道精英(天津)信息技術有限公司), a LLC established in Tianjin, the PRC on 27 July 2015, one of our Consolidated Affiliated Entities by virtue of the Contractual Arrangements
"Tongdao Liepin (Tianjin)"	Tongdao Liepin (Tianjin) Technology Group Limited (同道獵聘(天津)科技集團有限公司) (formerly known as Tiancai Youdao (Tianjin) Information Technology Co., Limited (天才有道(天津)信息技術有限公司)), a LLC established in the PRC on 26 April 2018
"Total number of contacts with individual users by our verified headhunters"	the total number of contacts with individual users by the Company's verified headhunters through phone calls and messages, as of a given date
"USD"	United States dollars, the lawful currency of the United States of America
"Verified business users"	all business users that have completed all required registration and verification procedures to the Company's satisfaction, which include both business customers and non-paying business users who do not have effective contracts with the Company as of a given date
"Verified headhunters"	the headhunters that have completed all required registration and verification procedures to our satisfaction
"Wisest"	Wisest (Beijing) Management Consulting Co., Ltd. (萬仕道(北京)管理諮詢股份有限公司), a LLC established in the Zhongguancun Science Park (中關村國家自主創新示範區), Beijing, the PRC on 7 September 2006, one of our Consolidated Affiliated Entities by virtue of the Contractual Arrangements

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Shao Yibo

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
10th 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. Zhang Ximeng

REMUNERATION COMMITTEE

Mr. Zhang Ximeng *(Chairman)*
Mr. Ye Yaming
Mr. Choi Onward

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

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 RMB2,637.9 million in 2022, a 0.5% decrease from RMB2,651.5 million in 2021.

- Gross profit was RMB2,047.1 million in 2022, a 1.0% decrease from RMB2,067.1 million in 2021.

- Net profit was RMB89.6 million in 2022, a 53.2% decrease from RMB191.4 million in 2021. Net profit attributable to equity shareholders of the Company was RMB44.4 million in 2022, a 67.0% decrease from RMB134.4 million in 2021, primarily due to the one-off massive marketing campaigns by collaborating with CCTV during the FIFA World Cup games in the fourth quarter of 2022.

- Non-GAAP operating profit of the Company (excluding share-based compensation expenses and amortisation of intangible assets resulting from acquisition) was RMB230.3 million in 2022, a 38.2% decrease from RMB372.8 million in 2021. Non-GAAP profit attributable to equity shareholders of the Company (excluding share-based compensation expenses and amortisation of intangible assets resulting from acquisition) was RMB189.4 million in 2022, a 31.5% decrease from RMB276.5 million in 2021.

- The Board does not recommend the payment of final dividend for the year ended 31 December 2022.

Dear Shareholders,

2022 was full of pressure and challenges for every industry, especially at the end of the fourth quarter, affected by the peak of the pandemic, business development had been relatively sluggish. However, with the efforts of all employees of the Group, we have ensured the overall stability of our business. In 2022, we achieved a total revenue of approximately RMB2.64 billion, which remained relatively flat compared to the previous year. The revenue generated from our business customers was approximately RMB2.35 billion, with a slight year-on-year increase, demonstrating the effectiveness of our business model and the risk resilience of our market segment.

The market environment was under pressure in 2022, but we firmly focused on the "Platform + SaaS + Service" strategy, and continued to upgrade our products, optimize our services and market strategies. During the year, we continued to further optimize users' experience, support intelligent and efficient job matching and refine the recruitment process management, and also helped corporate customers accelerate their process of digital recruitment. In terms of the market, the strategies of "demand digging" and "targeted expansion" have provided us with more risk resistance capabilities. High quality customer base is the foundation and driving force for the Company's continuous growth. In addition to product upgrades and iterations, our differentiated professional service mechanism provides a guarantee for user stickiness. The platform operation team and dynamic data monitoring center monitor the usage of users in real time. Through intelligent observation and manual intervention, they assist the service team to optimize solutions for users in a timely manner, promote more platforms and product usage, and further improve sales and service efficiency.

With the loosening of pandemic control measures, the overall recruitment market showed signs of recovery. In the fourth quarter of 2022, we became a partner of CCTV for the Top Soccer Game and industrial sponsor of Douyin during the World Cup period. The intensive brand exposure has further consolidated our brand image and gained attraction from users. This marketing activity will also continue to enhance the brand influence of the Company in a longer period. Marching into 2023, especially after the Chinese New Year, the registration and activity of individual users were particularly impressive, and the employment enthusiasm and confidence of professionals were picking up. The confidence of enterprises is also gradually rising. Compared with the fourth quarter of last year, the recruitment plans and processes are more active, and new job postings have been recovered to a certain extent.

In 2022, we continued to promote the iteration and upgrade of AI technology and algorithms, optimize user searching and recommendation experience, decouple business requirements and algorithm logic by sorting out the underlying commonality of various business lines and different scenarios, and modularize general algorithms to optimize our capability to migrate algorithms between multiple scenarios and products, improve the response efficiency to business needs in a low-code manner and empower the business development of the Group. In terms of production and research, we have continued to devote ourselves to technology development, including upgrading of IT infrastructure, innovation of functions and products, and technical empowerment of sub-businesses. In addition, we have continued to explore new models of mutual beneficial cooperation with the headhunters.

Mid- to high-end recruitment business accounts for the largest transaction share in the recruitment market, and mid- to high-end online recruitment also has a relatively high industry threshold. Firstly, talents are of higher quality and relatively passive, and they also have higher added value in the recruitment process. The accumulation of quality talents and positions on the platform requires a longer period of brand awareness and more standardized and stricter operating standards. As a result, our advantages in passive job seekers are still obvious. Secondly, unlike the traditional bilateral model, the mid- to high-end is a multilateral ecosystem, so the platform is required to have a deep understanding and accumulation of the behavior and needs of all users. In addition, the requirements for data authenticity and accuracy are also higher. This means that we are required to establish higher standards in various aspects including qualification review, and train the system to improve the algorithm's understanding of the complex needs of mid- to high-end recruitment and even certain hidden needs and iteration ability, so as to promote more effective fulfillment. It can be seen that this market is not only about the traffic algorithm model, but also about the AI precise matching model recognized by professional recruiters. This business is not only a platform tool, but also a "platform + service" model, involving a complete set of process mechanism built by all parties in the BHC model and our internal service team. In view of this, our focus on the mid- to high-end online recruitment market over the past decade has also enabled us to maintain our development momentum and continue to grow in the face of different market environments and competition. Under special circumstances, we are also constantly practicing corporate social responsibility. We had carried out a number of employment activities jointly with the Ministry of Human Resources and Social Security, the Ministry of Education, and the All-China Federation of Industry and Commerce, covering high-level talents in emerging industries, sophisticated professionals in various industries and outstanding graduates. "The Management Trainee" public welfare activity jointly organized with Peking University's Guanghua School of Management has entered the second phase, providing professional employment guidance for more job-seeking graduates.

Since 2023, there are still uncertainties in the macro environment. However, as China enters a new stage of development, employment will remain as the cornerstone of people's livelihood and economic growth. We believe that with the steady recovery of the overall economy, the recruitment market is well positioned and is expected to improve quarter by quarter throughout the year. We will also actively seize the opportunities under the recovery cycle and strengthen our core recruitment business in order to serve more high-quality enterprises and individual users. At the same time, we will continue to focus on improving operational efficiency and controlling costs and expenses, actively expanding and deepening our efforts in potential cities with full consideration of people efficiency, seizing opportunities in recovering industries and emerging industries supported by policies, cultivating long-term advantages and exploring development opportunities. Finally, I would like to extend our gratitude to all employees, business partners and shareholders for their long-term support and trust. We look forward to sharing the long-term growth value of the Company with you.

Tongdao Liepin Group
Dai Kebin
Chairman

MARKET REVIEW

The PRC Talent Acquisition and Other HR Services Market

The unprecedented macro-environment imposed challenges and brought opportunities to our business throughout the year of 2022. The constant recurrence of the pandemic continuously impacted economic activities, industrial production and residential life. The macro conditions shattered enterprise and resident confidence, causing unstable recruitment demand and slow execution of recruitment decisions, which resulted in an ascending national surveyed urban unemployment rate. Despite this, the mid- to high-end market for recruitment remained relatively resilient due to the scarcity of talent and the importance of these positions. But as enterprises were under continuous pressure, it was inevitable that, the employment of the mid- to high-end segment was impacted. As enterprises lowered their recruitment demands and were more conscious about cost efficiency, we observed a tendency of deepening online penetration of a wider range of talent services. The trend brought us a great opportunity to cater the diverse needs of our customers, leveraging our diversified product mix, so as to enhance our relationship with customers.

From a macroeconomic perspective, China still firmly follows the pace of talent and industrial upgrading despite a stressful environment as a whole. The 20th National Congress of the Communist Party of China reaffirmed that China will move faster to boost its strength in human resource development and nurturing high-quality talents. The Outline of the Strategic Plan for Expanding Domestic Demand (2022–2035) issued in December 2022 also calls for "inspiring the innovation vitality of talents and nurturing more world-class leading talents", setting medium-term goals for building a talent echelon. Meanwhile, local governments have also introduced measures, including talent subsidies and support for entrepreneurship to attract and retain talents and boost regional development. As a rich supply of human resources remains to be China's notable strength, China is in the course of gaining talent dividend. In such context, serving the development of high-quality talents and providing accurate matching between talents and suitable positions are the urgent needs to be met.

With respect to industries, as 2022 was the second year of the *14th Five-Year Plan*, China was more determined to develop and expand strategic emerging industries and introduced more explicit supporting policies. Therefore, even when the overall macro-environment and certain industries such as Real-Estate and Media & Entertainment were under pressure, emerging industries still showed strong resilience and grew against the headwind in respect of recruitment demand. According to the data from our platform, the top three industries in terms of the increasing rate of the number of new job postings in 2022 are Energy & Chemicals, Automotive & Manufacturing and Electronic Communications. Such enterprises generally have a high entry threshold for key positions which need a large number of knowledgeable and high-quality talents who are relatively scarce, resulting in a noticeable mismatch between talent supply and job demand. Therefore, promoting the job market effectiveness and assisting industry development remained as a key responsibility for professional service providers. Through forward-looking industry judgment and the accumulation of recruitment know-how, we have already accumulated rich experiences and built advantages in serving these emerging industries, and have successfully established deep relationship with many emerging enterprises. Against the backdrop of national industrial transformation, we look forward to helping more enterprises with their organizational development and business expansion by matching suitable talents to appropriate positions.

The PRC Talent Development Services Market

The talent development services market in 2022 was sluggish due to the pandemic, resulting in fewer job opportunities and greater caution in career changes. Those between jobs had a longer time tolerance for locating an ideal job due to the low market sentiment, while employed individuals had fewer opportunities and willingness to make career changes. As a result, the overall recruitment market's mobility was partially subdued, with these conditions persisting throughout the year and worsening during the pandemic's spread. Moving into 2023, as the macro-environment started to rebound, the market sentiment also recovered remarkably in terms of talents' activeness in job searching.

As mentioned above, our nation's talent upgrade has begun to bear fruit. The rising gross enrollment rate in China and the historic high number of college graduates in recent years accelerated the accumulation of highly knowledgeable talents. More notably, talents were more receptive to cross-industrial career choices with fewer limitations on enterprise scales and stages. With such an adjustment of talents' mindset, we leveraged our advantages in providing recruitment services across full industries and to all types of enterprises, actively helping more high-quality talents with their career development.

In 2022, the demand for professional skillset enhancement and qualification training reached a trough due to weak market conditions, low willingness, and ability of individuals to pay. However, the national support for professional education and skillsets training is mounting, and our national talent construction plan still places the highest priority on the promotion of talent's diversified development path and the cultivation of specialized talents. As short-term volatility gradually declines and market recovery gathers steam, we believe that professional education will continue to develop in a broad market in the long term.

BUSINESS REVIEW

Overall Performance and Highlights

Our business model continued to demonstrate its effectiveness amidst a very challenging market condition in 2022. As we pioneered the online talent service platform in China that focuses on mid- to high-end talent acquisition services, the users we serve are generally more resilient, and the recruitment demands for higher-end talents are more sustainable. Therefore, cyclical fluctuations alongside the macro-economic changes can be partially smoothed out, leading to a healthier and more stable financial performance. As a result, our total revenue and gross profit for the year 2022 amounted to RMB2,637.9 million and RMB2,047.1 million, respectively, representing a decrease of 0.5% and 1.0% compared to 2021. Specifically, the revenue generated from talent acquisition and other HR services to our business customers was RMB2,346.4 million, a 1.6% increase from RMB2,309.0 million in 2021. Although some of the recruitment demands were postponed due to the pandemic resurgence, our high quality customer base, our enriching product matrix (i.e. online recruitment, transaction-based talent acquisition services) and effective business development measures secured us from significant adverse impacts. Along with the deepened online penetration of the mid- to high-end recruitment market, the number of our verified business users increased by 12.6%, reaching 1,129,568 as of 31 December 2022. While most enterprises stringently managed their expenses under a soft market condition, recruitment processes were prolonged and recruitment budgets were decided prudently. As a result, the number of our business customers slightly decreased by 2.6%, amounting to 70,678 as of 31 December 2022.

On the other end, our revenue from talent development services to individual users was RMB289.9 million in 2022, a 15.0% decrease from RMB341.1 million in 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 2022. Nevertheless, based on our strong brand recognition, the number of registered individual users on our platforms increased from 73.9 million as of 31 December 2021 to 83.5 million as of 31 December 2022, representing a year-on-year increase of 12.9%.

In 2022, we continued to cement our well-established headhunter ecosystem in the Chinese market. We kept attracting more headhunters to our platforms with our diversified products and unique resources while keeping the registration requirements as strict as always. The number of our verified headhunters increased from 197,357 as of 31 December 2021 to 211,772 as of 31 December 2022. The total number of contacts with registered individual users by our verified headhunters increased from 1.08 billion to 1.15 billion over the same period. The involvement of quality headhunters significantly boosted the level of activity and engagement of the registered individual users.

The table below summarizes the key operating metrics of the Group as of the dates indicated:

	As of 31 December		
	2022	2021	%
Individual Users			
Number of registered individual users *(in millions)*	**83.5**	73.9	12.9
Number of individual paying users *(accumulative)*	**495,980**	451,718	9.8
Average annual salary of registered individual users *(in RMB)*	**191,470**	188,156	1.8
Business Users and Customers			
Number of verified business users	**1,129,568**	1,003,196	12.6
Number of business customers	**70,678**	72,554	-2.6
Number of job postings *(in millions)*	**8.9**	9.2	-2.7
Headhunters			
Number of verified headhunters	**211,772**	197,357	7.3
Number of contacts with registered individual users by our verified headhunters *(in millions)*	**1,146.0**	1,084.7	5.6

During the year 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. Set forth below is a summary of major developments of our business in 2022.

Talent Acquisition Services to Business Users

In 2022, we upgraded our products, services, and market strategies under the "Platform + SaaS + Service" strategy. We spent the year constantly refining our products to not only support intelligent and efficient job matching, but could also alleviate the pain points of recruiters during recruitment process. In 2022, practical functions like administrative data dashboard, collaborative CV evaluation modules, and job-position internal sharing were launched and well-recognized by our users. By enhancing collaboration between different recruitment roles, optimizing communication functions and interfaces, and streamlining recruitment process, we facilitate the digitalization of both talent acquisition process, strengthen the activity level and product experience of both talents and recruiters, thus achieving stronger user stickiness and value creation.

In 2022, the volatile macro-environment led to a changing market condition. Against this backdrop, we made timely adjustments to our sales tactics since the second quarter of 2022, focusing on "targeted expansion" and "demand", providing us with strong risk resilience and long-term growth potentials. To execute our "targeted expansion" tactic, we focused on specific emerging industry clusters across different cities. Riding the tailwind of China's industrial upgrade, we supported the development of these fast-growing enterprises by precisely matching their recruitment needs with suitable talents. Specifically, we established deep partnerships with a large number of emerging enterprises by co-hosting recruitment activities with local government departments in emerging industry parks. Through interactive channels such as live-streaming, we presented high-quality jobs at scale under various themes. Moreover, we provided enterprises with a number of professional and suitable talents by penetrating targeted universities. In terms of the "demand digging" tactic, we continued to deepen our understanding of our existing customers and meet their deep-seated needs by leveraging our rich array of products. Our well-rounded product spectrum enables us to meet the changes in customers' recruitment habits as their needs migrate, and to offer flexible packages to serve different types of business customers.

Coupled with our adaptive sales strategies, we keep optimizing our professional service mechanism. In the mid- to high-end recruitment market that emphasizes more on the effective integration of products and services, we always strive for leveraging our technological capabilities to provide scalable and standardized services to our customers, hence improving their recruitment efficiency. In 2022, we further improved our digital service capabilities. Our user-friendly back-office operational system and data visualization center can automatically detect the using condition of our customers in various segments for sales and service teams and intelligently recommend guidelines and suitable solutions, allowing us to improve sales and service efficiency while delivering a superior customer experience. Additionally, to increasingly cater to our customers' diverse needs, in 2022, enterprises were opened to different administrative authorities depended on their verticals and scales. Resources were, therefore, allocated and managed more effectively, while various types of customers could experience the most suitable product and service matrix.

Despite a challenging market environment, we remained committed to technology development, including the upgrade of our IT infrastructure, innovation of new functions and new products, and the incubation of game-changing business models. Specifically, we persist in putting great effort in reinforcing our precise matching capabilities. In the mid- to high-end segment where information is complicated and implicit, industry-specialized data modeling and natural language process capabilities are essential to achieving precise job-talent matching. During the year, 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, enhancing our understanding of talent profiles and job requirements. By responding to tailored questions, our users experience more precise matching results.

In addition, we pay continuous attention to our internal algorithm infrastructure establishment and cyber security protection. In 2022, we completed the construction of our algorithm center by extracting and modularizing a batch of frequent-used algorithm toolkits. All our developers can then make trials and launch new functions in almost all usage scenarios in a low-code mode, therefore reduce development expenses for each product upgrade. The algorithm center is also a vital foundation of our long-term algorithm architecture. Regarding cyber security, cultivating a trusted and reliable community for all users is our long-term endeavor. We focused on enhancing the risk identification and upfront abnormal account examination capabilities through better user segmentation in 2022. Our internal information distribution mechanism was significantly optimized, leading to a higher reviewing efficiency and a further-solidified safety system. With tireless efforts of our team, our "Information Recommendation Algorithm" and "Information Search Algorithm" have passed the internet information service algorithm records that were published by the Cyberspace Administration of China in August and October in 2022, respectively.

Other HR Services to Business Users

Starting from 2018, we started to develop diversely along the talent service value chain. Gradually, we have established a well-rounded product layout by integrating fast-growing and synergetic sub-businesses. Besides our core services of recruitment, our Group also offers other services like flexible staffing, survey services, training and assessment to our business customers. Our diversified product mix constitutes a major competitive advantage by building a deep bond with our business customers and making us more resilient in facing fluctuating demand. Most importantly, we are closer to our goal of becoming a one-stop talent service provider catering to the complex demands from the diversified users.

Flexible Staffing

From the *14th Five-Year Plan* to the *Report on the Work of the Government for 2022*, policies such as promoting the multi-channel flexible employment mechanism, enhancing the inclusiveness of the labor market, and improving social security for flexible employment have been repeatedly emphasized, which demonstrates the importance of the flexible staffing among China's future employment types. According to a third-party research report, the scale of flexible staffing in China continues to rise. In the meantime, as a large number of enterprises are in demand of operational refinement and individuals' needs for flexible working hours continue to climb, there is still considerable room for growth in China's flexible labor market.

With the gradual recovery of the market environment, certain industries that were adversely impacted are showing a stronger rebound, hence have more urgent demands for massive labor. By shifting our resources to serving recovering industries, we are reaching a wider range of labor and gaining a longer-term business advantages. As an internet-based flexible staffing business, we quickly seize opportunities as signs of market movement are detected. Agile market strategies also improve the risk resilience and growth potential of our flexible staffing business.

Survey Services

Our survey SaaS service provider, Wenjuanxing (問卷星), maintained its leading position in the online survey industry. By the end of 2022, the number of total survey samples collected by our platform was over 15.6 billion, and distributed over 206 million surveys. Despite the softening demand in the advertising industry, which posed challenges to the advertisement segment of our survey services, we continued to refine our user labelling system and improve our user profiling capability. By doing so, we were able to improve advertising effectiveness and conversion rates, ultimately enhancing user stickiness and customer relations.

On the other hand, our survey SaaS business has harvested more significant growth. Based on 17 years' experience of product refinement and brand recognition, our survey SaaS product can rapidly gain customers' trusts and penetrate deeply into their business operations, creating a strong connection with customers. Looking forward, we will also continue to expand our customer base and particularly explore diversified channels for business opportunities. We will also insist on high-quality services for our existing customers to establish a more long-term growth mechanism.

Training and Assessment

Training and assessment is also one of a critical segment of talent services, and we have developed our training and assessment SaaS platform into an innovative product that provides employees with video-based training, such as leadership training and professional skillsets courses to employees. Besides, we offer powerful assistance to enterprises for their organizational structural upgrade and talent development by providing standard training courses of choice. Meanwhile, internal trainers or employees can also upload enterprise-exclusive training materials on our platform for skills-and-knowledge sharing, saving training costs and improving training efficiency.

Talent Development Services to Individual Users

We continue to offer products and services for free to our registered individual users, including CV Analysis, Interview Preparation, Job Application Analysis and Career Examination. On top of the aforesaid free basic services, we also provide value-added packages under different pricing plans in which individual users can subscribe to access a variety of enhanced functions and tools. By leveraging our ecosystem partners, we are able to provide personalized career services at a large scale and, thus, to help our individual users pursue their ideal careers.

In 2022, while the number of our individual users kept increasing amidst an uncertain macro-environment, we remained committed to pouring effort into activating existing talents on our platform. Especially during the fourth quarter of 2022, as physical restrictions related to the pandemic eased and supporting policies stepped in, we put forward multiple measures to boost the vitality of our users, so as to prepare talents for future market recovery. In addition to accurately identifying users' needs and increasing their platform activity through product feature upgrades and technical capability enhancement, we adopted a more active approach to guiding users to return to the platform and remain active. We classified our users based on characteristics and preferences through an intelligent algorithm. Personalized activation programs were rolled out via a combination of various channels. Effectiveness, efficiency and user experience being our top considerations. As a result, the returning ratio and activity level of our existing users significantly improved along with the market recovery in 2023.

As users return to our platforms, we provide detailed and attractive instructions to help them update their career information. The AI assistant that we introduced in 2022 can identify and modify abnormal data inputs and provide suggestions through our intelligent resume adjustment system, effectively preventing conflicts or ambiguity of information. With such measures and the increasing ratio of completed resumes on our platform, the variety, accuracy and authenticity of individual information have been further enhanced.

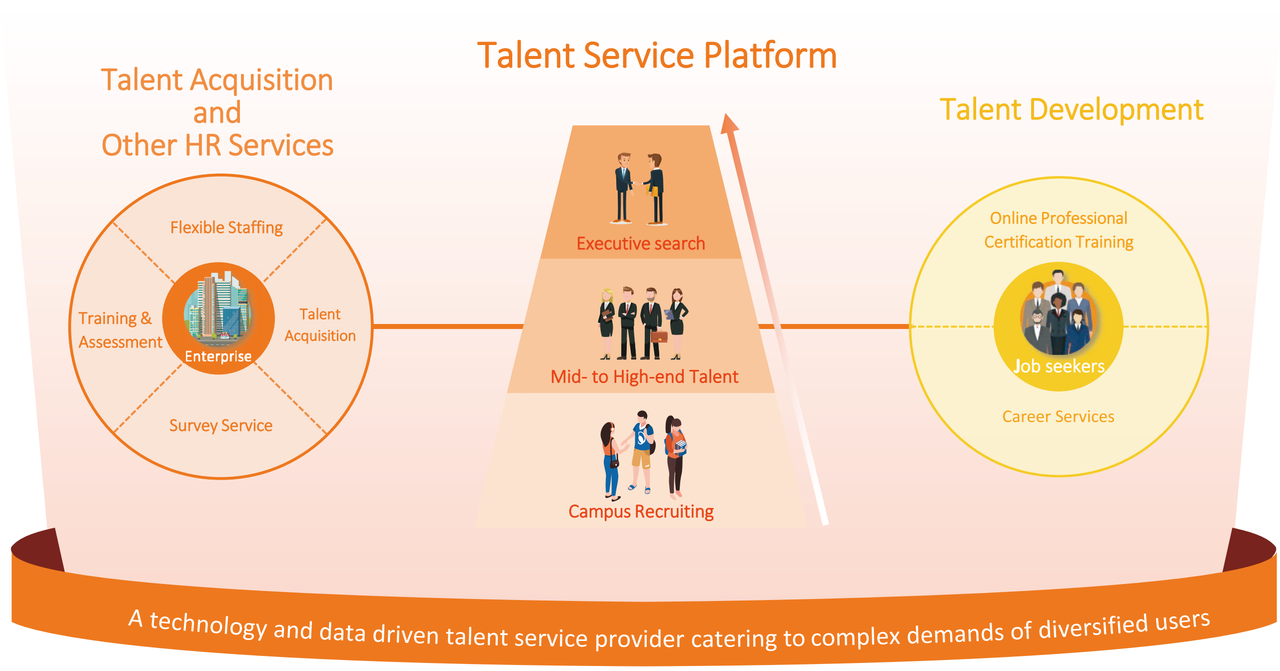
Our online certification training business provides talents with professional and high-quality courses via online platforms to help with their professional skills enhancement and help raise their career competitiveness in the face of dynamic workplace requirements. In 2022, due to the reoccurrence of the pandemic, several tests related to the certification training that we provided were further postponed, resulting in a delay in course enrollment and revenue recognition. Also, talents' enthusiasms in pursuing career transformation and willingness to pay for long-term development were partially subdued, bringing a certain pressure to our business expansion. Against this backdrop, we focused more on improving teaching standards and optimizing course materials, preparing ourselves more fully for an accelerated recovery in the near future.

Strengthened Partnership with Headhunters

Headhunters are an indispensable part of our ecosystem, playing an irreplaceable role in the mid- to high-end talent acquisition market. They serve as a crucial link between talented individuals and business users. Since talents are relatively more passive in the mid- to high-end segment, headhunters usually proactively connect with individual users to provide professional knowledge and customized career advises. This process activates talents, boosts the vitality of our platform, and facilitates the recruitment process. Headhunters also play a vital role in enriching job postings on our platform, expanding job types and enlarging the job pool. More talents will, therefore, be attracted to our platform, and in turn, business users' job postings will be exposed to more quality talents. The healthy circulation of resources under our BHC model initiates and keeps the flywheel running.

Fundamentally different from any other online recruiting platforms, we provide free access for headhunters to source candidates and manage their sourcing process in customized ways. We offer a SaaS-based headhunter platform that streamline and optimize the whole service process for headhunters, from job postings, CV management to candidates' interaction and interviews. We also offer closed-loop transaction opportunities to headhunters who are proven to be trustworthy on our platform. Once a recruiter places a hiring order on our platform, we will recommend the most suitable headhunter to take the order by virtue of our AI technology and algorithm. The entire recruitment process is conducted online under our stringent supervision and management. Headhunters are attracted to our platform for a massive amount of active talents with urgent job-seeking demands and incremental transaction opportunities from our business customers. The network effect with headhunters' involvement has created a unique barrier and a competitive advantage for us in the mid- to high-end segment.

For the past 12 years, we have deepened our understanding of the headhunting service market and guided the digitalization of the industry. Our BHC model has created a strong network effect that attracted a significant group of trustworthy headhunters to our platform. Building on a matured ecosystem with headhunters, we pioneered in establishing a unique headhunter-assisting closed-looped recruitment business model years ago, and we have been constantly exploring better recruitment solutions through in-depth cooperation with headhunters. As the Chinese headhunter market is still fast developing, we believe that with our well-established ecosystem and abundant resources, we can continue to take leads in proposing game-changing business models and strengthening the market position of headhunting collaboration ecosystem.



FUTURE OUTLOOK AND STRATEGIES

During the fourth quarter of 2022, we have rolled out a massive marketing campaigns by collaborating with CCTV during the FIFA World Cup games, aiming to reinforce our brand recognition as a professional talent acquisition service provider and capture market share as recovery kicks in. Marching, into 2023 the market sentiment has rebounded significantly, and we have observed a gradual recovery in the market vibe, as well as a surge in individuals' activity levels. As enterprises' confidence level is recovering, a great number of recruitment initiatives and annual recruitment budgets were being considered and planned. Post-Chinese Spring Festival, there has been a recovery of market vitality and a significant increase in the talent activity level. While there are still uncertainties in the macro-environment both domestically and internationally, market sentiment has been gradually recovered.

In this context, we will proactively capture opportunities that are brought by market recoveries and continue to strengthen our core online recruitment business under the "Platform + SaaS + Service" strategy. We aim to further expand our market share by serving more high-quality enterprises and individual users. Specifically, we will prudently expand our regional coverage to cities that have great potential. By penetrating into more areas with professional teams, a wider range of customers will gain a more profound understanding of our products and experience more tailored services. Meanwhile, we will also seize opportunities in recovering verticals and emerging industries that are policy supportive, grasping short-term incremental marketspace while also incubating long-term strength. Besides the above expansion measures, our attention to business development among state-owned enterprises and government bodies will persist as high-quality talents are being increasingly valued alongside the national talent upgrade.

We always believe that sustainable growth is inseparable from an effective operation mechanism and refined operation ability. Therefore, we will continue to focus on the improvement in operational efficiency and the in-depth implementation of expense control. In terms of research and development, we will upgrade our operational indicator system to enhance the efficiency and coverage of the talent-to-job matching on our platforms. This will also improve user experience and stickiness. Furthermore, we will continue to upgrade our underlying IT infrastructure to support faster and more flexible product testing. In terms of business development efficiency, our sales personnel efficiency has improved rapidly in recent years. Looking forward, with the continuous upgrade of our sales organizational structure, improvement of our digital sales capabilities, and accumulation of customer trust, our sales efficiency is expected to be further optimized. Meanwhile, we will continue to follow precise marketing strategies to reinforce our brand image as a professional recruitment application to more enterprises and individuals through diversified and adaptive channels. Lastly, combining the effect of operating leverage, our fortifying corporate governance and strengthening internal management will make room for our mid- to long-term governance and administrative expenses ratio.

As the national development is marching into a new stage, employment remains as the cornerstone of people's livelihood. The employment-first strategy was emphasized repetitively during the Press Conference for the First Session of the 14th National People's Congress. Moving forward, along with the market recovery, we fully acknowledge our responsibilities in facilitating the activation of the domestic employment market, and promoting sustainable growth of the talent acquisition industry. It is also our endeavor to support more enterprises and talents in constructing new patterns in national development.

FINANCIAL REVIEW

Year Ended 31 December 2022 Compared to Year Ended 31 December 2021

	2022 *RMB'000*	2021 *RMB'000*
Revenue	2,637,921	2,651,468
Cost of revenue	(590,828)	(584,336)
Gross profit	2,047,093	2,067,132
Other income	89,533	80,102
Sales and marketing expenses	(1,306,072)	(1,224,534)
General and administrative expenses	(344,935)	(355,044)
Research and development expenses	(400,283)	(336,950)
Profit from operations	85,336	230,706
Net finance income/(cost)	21,998	(17,297)
Share of results of associates	343	1,154
Profit before taxation	107,677	214,563
Income tax	(18,090)	(23,134)
Profit for the year	89,587	191,429
Attributable to:		
— Equity shareholders of the Company	44,367	134,425
— Non-controlling interests	45,220	57,004
Non-GAAP Profit from Operations	230,330	372,771
Non-GAAP Profit attributable to equity shareholders of the Company	189,361	276,490

Revenue

Our revenue was RMB2,637.9 million in 2022, representing a 0.5% decrease from RMB2,651.5 million in 2021. Revenue from talent acquisition and other HR services to our business customers, accounting for 88.9% of our revenue, was RMB2,346.4 million in 2022, a 1.6% increase from RMB2,309.0 million in 2021, primarily due to the increase of average revenue per user, driven by our business development tactic of "demand digging", partially offset by the decrease in the number of paying customers because of the resurgence of the pandemic in 2022. Revenue from talent acquisition and other HR services to our business customers mainly comprised (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.

Revenue from talent development services to individual users, accounting for 11.0% of our revenue, was RMB289.9 million in 2022, a 15.0% decrease from RMB341.1 million in 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 2022. Revenue from talent development services to individual users primarily consisted of providing premium membership services, career coaching, CV advisory and certification training services.

Revenue from rental income from investment properties was RMB1.7 million in 2022 and RMB1.3 million in 2021.

The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the year ended 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Talent acquisition and other HR services to business users	**2,346,354**	**88.9**	2,309,003	87.1
Talent development services to individual users	**289,876**	**11.0**	341,124	12.8
Rental income from investment properties	**1,691**	**0.1**	1,341	0.1
Total	**2,637,921**	**100.0**	2,651,468	100.0

Cost of Revenue

Our cost of revenue primarily comprised service and project expenses, salaries and benefits for our talent service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB590.8 million in 2022, a 1.1% increase from RMB584.3 million in 2021. The share-based compensation expenses were RMB9.6 million in 2022 (2021: RMB1.2 million). The amortization of intangible assets resulting from acquisition was RMB17.3 million in 2022 (2021: RMB17.3 million).

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB2,047.1 million in 2022, representing a 1.0% decrease from RMB2,067.1 million in 2021. Our gross profit margin was 77.6% in 2022 and 78.0% in 2021.

Sales and Marketing Expenses

Our sales and marketing expenses mainly consisted of salaries and benefits (including share-based compensation expenses) for sales and sales support. Advertising and promotion expenses, marketing personnel expenses and other expenses associated with our sales and marketing activities filled the rest. Our sales and marketing expenses were RMB1,306.1 million in 2022, a 6.7% increase from RMB1,224.5 million in 2021. The share-based compensation expenses were RMB25.6 million (2021: RMB13.7 million), and the amortization of intangible assets resulting from acquisition was RMB31.4 million (2021: RMB31.4 million). Our sales and marketing expenses as a percentage of revenue increased from 46.2% in 2021 to 49.5% in 2022, which was primarily due to the massive marketing campaigns by collaborating with CCTV during the FIFA World Cup games in the fourth quarter of 2022, aiming to reinforce our brand recognition as a professional talent acquisition service provider and capture market share as recovery kicks in.

General and Administrative Expenses

Our general and administrative expenses primarily comprised salaries and benefits (including share-based compensation expenses) for our general and administrative personnel, office expenses (including rental expenses) and other operating expenses which include expected credit losses of trade receivables. Our general and administrative expenses were RMB344.9 million in 2022, a 2.8% decrease from RMB355.0 million in 2021, which was primarily due to the decrease in the share-based compensation expenses from RMB56.7 million in 2021 to RMB37.7 million in 2022. Our general and administrative expenses as a percentage of revenue decreased from 13.4% in 2021 to 13.1% in 2022, which was primarily due to the increase in efficiency of our management team.

Research and Development ("R&D") Expenses

Our R&D expenses primarily comprised salaries and benefits (including share-based compensation expenses) for R&D personnel and other R&D related expenses, such as office rental and depreciation of equipment associated with R&D activities. Our R&D expenses were RMB400.3 million in 2022, a 18.8% increase from RMB337.0 million in 2021. The share-based compensation expenses increased from RMB21.8 million in 2021 to RMB23.4 million in 2022. Our R&D expenses as a percentage of revenue increased from 12.7% in 2021 to 15.2% in 2022, as we continued to invest in R&D to incubate new business, optimize our matching algorithm, launch innovative functions, strengthen the data security capability and improve our IT infrastructures.

Other Income

Other income primarily comprised interest income from bank deposits, investment income from wealth management products, government grant, and fair value changes of financial assets at fair value through profit or loss. Our other income increased by 11.8% from RMB80.1 million in 2021 to RMB89.5 million in 2022, primarily as a result of the increase of government grant and investment income from wealth management products, partially offset by the fair value changes of financial assets at fair value through profit or loss, as a result of the sluggish market conditions in 2022.

Profit from Operations

As a result of the foregoing, our profit from operations was RMB85.3 million in 2022, compared to RMB230.7 million in 2021, primarily attributable to (i) the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022 and (ii) the increase in R&D expenses to incubate new business, optimize our matching algorithm, launch innovative functions, strengthen the data security capability and improve our IT infrastructures.

Net Finance Income/(Cost)

Net finance income/(cost) primarily comprised foreign currency exchange gain due to the fluctuation of USD against RMB, interest expenses on bank loans, interest on lease liabilities rising from the adoption of IFRS 16, and bank charges. Our net finance income was RMB22.0 million in 2022, compared to a finance cost of RMB17.3 million in 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 RMB107.7 million in 2022, a 49.8% decrease from RMB214.6 million in 2021, primarily attributable to (i) the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022; and (ii) the increase in R&D expenses to incubate new business, optimize our matching algorithm, launch innovative functions, strengthen the data security capability and improve our IT infrastructures.

Income Tax

Income tax expenses were RMB18.1 million in 2022, a 21.8% decrease from RMB23.1 million in 2021, since the segment with lower effective tax rate, our online talent services, suffered a lower profit margin because of the incremental marketing expenses during the FIFA World Cup games in the fourth quarter of 2022.

Profit for the Year

As a result of the aforementioned factors, profit for the year was RMB89.6 million in 2022, a 53.2% decrease from RMB191.4 million in 2021, primarily attributable to (i) the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022 and (ii) the increase in R&D expenses to incubate new business, optimize our matching algorithm, launch innovative functions, strengthen the data security capability and improve our IT infrastructures.

Three Months Ended 31 December 2022 Compared to Three Months Ended 31 December 2021

	For the three months ended	
	2022	2021
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Revenue	**624,821**	771,253
Cost of revenue	**(162,062)**	(185,621)
Gross profit	**462,759**	585,632
Other net (losses)/income	**(2,346)**	20,061
Sales and marketing expenses	**(454,942)**	(357,602)
General and administrative expenses	**(104,702)**	(105,536)
Research and development expenses	**(118,339)**	(108,484)
(Loss)/Profit from operations	**(217,570)**	34,071
Finance cost	**(8,211)**	(8,854)
Share of results of associates	**(151)**	863
(Loss)/Profit before taxation	**(225,932)**	26,080
Income tax	**4,040**	(2,790)
(Loss)/Profit for the period	**(221,892)**	23,290
Attributable to:		
— Equity shareholders of the Company	**(212,029)**	6,259
— Non-controlling interests	**(9,863)**	17,031
Non-GAAP (Loss)/Profit from Operations	**(165,520)**	65,302
Non-GAAP (Loss)/Profit attributable to equity shareholders of the Company	**(159,979)**	37,490

Revenue

Our revenue was RMB624.8 million in the three months ended 31 December 2022, a 19.0% decrease from RMB771.3 million in the three months ended 31 December 2021. Revenue from talent acquisition and other HR services to our business customers, accounting for 90.2% of our revenue, was RMB563.7 million in the three months ended 31 December 2022, a 19.0% decrease from RMB695.7 million in the three months ended 31 December 2021, primarily due to the falling recruitment demand because of the resurgence of the pandemic in the fourth quarter of 2022.

Revenue from talent development services to individual users, accounting for 9.7% of our revenue, was RMB60.7 million in the three months ended 31 December 2022, a 19.4% decrease from RMB75.4 million in the three months ended 31 December 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 fourth quarter of 2022.

Revenue from rental income from investment properties was RMB0.4 million in the three months ended 31 December 2022 and RMB0.2 million in the three months ended 31 December 2021.

The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the three months ended 31 December			
	2022		2021	
	RMB'000 (unaudited)	*%*	*RMB'000* (unaudited)	*%*
Talent acquisition and other HR services to business users	563,660	90.2	695,680	90.2
Talent development services to individual paying users	60,728	9.7	75,379	9.8
Rental income from investment properties	433	0.1	194	0.0
Total	624,821	100.0	771,253	100.0

Cost of Revenue

Our cost of revenue primarily comprised service and project expenses, salaries and benefits for our talent service personnel, and IT infrastructure and maintenance costs. Our cost of revenue was RMB162.1 million in the three months ended 31 December 2022, a 12.7% decrease from RMB185.6 million in the three months ended 31 December 2021. The amortization of intangible assets resulting from acquisition was RMB4.3 million in the three months ended 31 December 2022, as compared to RMB4.3 million in the three months ended 31 December 2021. The share-based compensation expenses were RMB9.4 million in the three months ended 31 December 2022, as compared to RMB0.2 million the three months ended 31 December 2021.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB462.8 million in the three months ended 31 December 2022, a 21.0% decrease from RMB585.6 million in the three months ended 31 December 2021. Gross profit margin decreased to 74.1% in the three months ended 31 December 2022 from 75.9% in the three months ended 31 December 2021 due to the change in product mix for catering the diverse recruitment needs of our business customers.

Sales and Marketing Expenses

Our sales and marketing expenses primarily consisted of salaries and benefits (including share-based compensation expenses) for sales and sales support. Advertising and promotion expenses, marketing personnel expenses and other expenses associated with our sales and marketing activities filled the rest. Our sales and marketing expenses were RMB454.9 million in the three months ended 31 December 2022, a 27.2% increase from RMB357.6 million in the three months ended 31 December 2021. The share-based compensation expenses were RMB17.3 million in the three months ended 31 December 2022 as compared to RMB3.3 million in the three months ended 31 December 2021. The amortisation of intangible assets resulting from acquisition was RMB7.9 million in the three months ended 31 December 2022 as compared to RMB7.9 million in the three months ended 31 December 2021. Our sales and marketing expenses as a percentage of revenue increased from 46.4% in the three months ended 31 December 2021 to 72.8% in the three months ended 31 December 2022, primarily due to decreased employee-related expenses because of the increase in sales efficiency, offset by increased advertising expenses in the massive marketing campaigns by collaborating with CCTV during the FIFA World Cup games in the fourth quarter of 2022, aiming to reinforce our brand recognition as a professional talent acquisition service provider and capture market share as recovery kicks in.

General and Administrative Expenses

Our general and administrative expenses primarily comprised salaries and benefits (including share-based compensation expenses) for our general and administrative personnel, office expenses (including rental expenses) and other operating expenses which include expected credit losses of trade receivables. Our general and administrative expenses were RMB104.7 million in the three months ended 31 December 2022, a 0.8% decrease from RMB105.5 million in the three months ended 31 December 2021, mainly due to the decrease in loss allowance for expected credit losses as a result of better control which led to higher recoverability of trade receivables. The share-based compensation expenses were RMB9.8 million in the three months ended 31 December 2022 as compared to RMB9.8 million in the three months ended 31 December 2021. Our general and administrative expenses as a percentage of revenue increased from 13.7% in the three months ended 31 December 2021 to 16.8% in the three months ended 31 December 2022, which was primarily due to the decline in revenue because of resurgence of the pandemic in the fourth quarter of 2022.

Research and Development Expenses

Our R&D expenses primarily comprised salaries and benefits (including share-based compensation expenses) for R&D personnel and other R&D related expenses, such as office rental and depreciation of equipment associated with R&D activities. Our R&D expenses were RMB118.3 million in the three months ended 31 December 2022, a 9.1% increase from RMB108.5 million in the three months ended 31 December 2021. The share-based compensation expenses decreased from RMB5.8 million in the three months ended 31 December 2021 to RMB3.4 million in the three months ended 31 December 2022. Our R&D expenses as a percentage of revenue increased from 14.1% in the three months ended 31 December 2021 to 18.9% in the three months ended 31 December 2022, as we continued to invest in R&D to incubate new business, optimize our matching algorithm, strengthen the data security capability and improve our IT infrastructures.

Other Net (Losses)/Income

Our other net losses was RMB2.3 million in the three months ended 31 December 2022, compared to other net income of RMB20.1 million in the three months ended 31 December 2021, primarily due to the fair value changes of financial assets at fair value through profit or loss mainly as a result of the sluggish market conditions, partially offset by dividend income and interest income from bank deposits.

(Loss)/Profit from Operations

As a result of the foregoing, our loss from operations was RMB217.6 million in the three months ended 31 December 2022, compared to a profit from operations of RMB34.1 million in the three months ended 31 December 2021, primarily attributable to (i) the decrease in revenue because of the resurgence of the pandemic in the fourth quarter of 2022 and (ii) the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022.

Finance Cost

Our finance cost was RMB8.2 million in the three months ended 31 December 2022, compared to RMB8.9 million in the three months ended 31 December 2021.

(Loss)/Profit before Taxation

As a result of the foregoing, loss before taxation was RMB225.9 million in the three months ended 31 December 2022, compared to a profit before taxation of RMB26.1 million in the three months ended 31 December 2021, primarily attributable to (i) the decrease in revenue because of the resurgence of the pandemic in the fourth quarter of 2022 and (ii) the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022.

Income Tax

Income tax credit were RMB4.0 million in the three months ended 31 December 2022, compared to income tax expenses RMB2.8 million in the three months ended 31 December 2021.

(Loss)/Profit for the Period

As a result of the aforementioned factors, loss for the period was RMB221.9 million in the three months ended 31 December 2022, compared to a profit for the period of RMB23.3 million in the three months ended 31 December 2021, primarily attributable to (i) the decrease in revenue because of the resurgence of the pandemic in the fourth quarter of 2022 and (ii) the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022.

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 profit attributable to equity shareholders of the Company (excluding share-based compensation expenses and amortization of intangible assets resulting from acquisition) has been presented in this annual 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 and one-off items.

	For the three months ended 31 December		For the year ended 31 December	
	2022 (unaudited)	2021 (unaudited)	**2022**	2021
	(in RMB'000)		*(in RMB'000)*	
A. NON-GAAP (LOSS)/PROFIT FROM OPERATIONS				
(Loss)/Profit from Operations	**(217,570)**	34,071	**85,336**	230,706
Share-based compensation expenses	**39,879**	19,060	**96,312**	93,383
Amortization of intangible assets resulting from acquisition	**12,171**	12,171	**48,682**	48,682
Non-GAAP (Loss)/Profit from Operations	**(165,520)**	65,302	**230,330**	372,771
B. NON-GAAP (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY				
(Loss)/Profit attributable to equity shareholders of the Company	**(212,029)**	6,259	**44,367**	134,425
Share-based compensation expenses	**39,879**	19,060	**96,312**	93,383
Amortization of intangible assets resulting from acquisition	**12,171**	12,171	**48,682**	48,682
Non-GAAP (Loss)/Profit attributable to equity shareholders of the Company	**(159,979)**	37,490	**189,361**	276,490

Total Comprehensive Income

As a result of the foregoing, total comprehensive income attributable to the owners of the Company and non-controlling interests was RMB222.9 million in 2022, compared to RMB151.5 million in 2021.

LIQUIDITY AND FINANCIAL RESOURCES

We expect our liquidity requirements will be satisfied by a combination of cash generated from operating 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 RMB495.8 million and RMB476.5 million in 2021 and 2022 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 year ended 31 December	
	2022	2021
	(RMB'000)	*(RMB'000)*
Net cash generated from operating activities	**143,102**	697,319
Net cash generated from/(used in) investing activities	**60,676**	(551,206)
Net cash used in financing activities	**(226,482)**	(166,376)
Net decrease in cash and cash equivalents	**(22,704)**	(20,263)
Effect of foreign exchange rate changes	**3,407**	(903)
Cash and cash equivalents at the beginning of the Reporting Period	**495,778**	516,944
Cash and cash equivalents at the end of the Reporting Period	**476,481**	495,778

Net Cash Generated from Operating Activities

In 2022, net cash generated from operating activities was RMB143.1 million, compared to RMB697.3 million in 2021, primarily due to the delayed payment collection as a result the COVID-19 resurgence and the increase in marketing expenses during the FIFA World Cup games in the fourth quarter of 2022.

Net Cash Generated from/(Used in) Investing Activities

In 2022, net cash generated from investing activities was RMB60.7 million, compared to net cash used in investing activities of RMB551.2 million in 2021, primarily due to the net proceeds from maturity of wealth management products.

Net Cash Used in Financing Activities

In 2022, net cash used in financing activities was RMB226.5 million, compared to net cash used in financing activities of RMB166.4 million in 2021, primarily due to shares held for the Company's restricted share unit scheme.

CAPITAL EXPENDITURES AND LONG-TERM INVESTMENTS

The following table sets forth our capital expenditures and long-term investments for the periods indicated:

	For the year ended 31 December	
	2022	2021
	(RMB'000)	*(RMB'000)*
Payment for property, plant and equipment and intangible assets	**24,811**	35,568
Payment for the purchase of equity securities (including investment in associate)	**54,000**	27,000
Payment for business acquisition net of cash acquired	**10,050**	56,637
Total capital expenditures and long-term investments	**88,861**	119,205

Our capital expenditures and long-term investment primarily included payment for property, plant and equipment and intangible assets, payment for the purchase of equity securities and payment for business acquisition net of cash acquired. In 2020, we have invested in Beijing Saiyou Education Technology Co. Ltd. (北京賽優職教育科技有限公司), a technology-driven education company which provides online training for professional certification and skills, of which the payment was RMB54.3 million paid in 2021 and RMB8.1 million paid in 2022.

GEARING RATIO

The gearing ratio (calculated as total bank and other borrowings divided by total assets/capital) of the Company as at 31 December 2022 was 0.18% (31 December 2021: nil).

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.

INVENTORIES

Due to the nature of our business being an online platform for talent services, we have no inventories to be disclosed.

INDEBTEDNESS AND CHARGE ON ASSETS

As at 31 December 2022, the Company had one bank loans with principal amount of RMB8.7 million secured by trade receivables with fixed interest rate of 4.3% due on 13 September 2023.

Save as disclosed above, (i) the Company had no bank loans, convertible loans and borrowings nor did the Company issue any bonds; and (ii) there was no other pledge of the Group's assets as at 31 December 2022.

EMPLOYEES AND REMUNERATION

As at 31 December 2022, the Company had a total of 5,165 employees. We provide regular in-house and external education and training to our employees to improve their skills, industry knowledge and understanding of our products and services. Our Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Remuneration of the Group's employees includes salaries, wages and other benefits, contribution retirement plan and long-term incentives such as share options and restricted share units within approved schemes.

CONTINGENT LIABILITIES

As of 31 December 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.

We had foreign currency exchange loss (both realized and unrealized) of RMB7.5 million in 2021 and foreign currency exchange gain (both realized and unrealized) of RMB31.9 million in 2022, recognized as net finance (cost)/income in the consolidated statement of profit or loss and other comprehensive income. The foreign currency exchange gain in 2022 was mainly attributable to the appreciation of USD against RMB.

CREDIT RISK

Our credit risk is mainly attributable to bank deposits, prepayments, trade and other receivables. Management has a credit policy in place and the exposures to these risks are monitored on an ongoing basis.

Bank deposits are placed with reputable banks and financial institutions.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and to take into account information specific to the customers as well as pertaining to the economic environment in which the customer operates. 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 31 December 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 31 December 2022.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposal of subsidiaries or associated companies as at 31 December 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. HKD2,542.0 million out of the net proceeds have been utilized as at 31 December 2022 in the manner consistent with that disclosed in the prospectus of the Company dated 19 June 2018 under the section headed "Future Plans and Use of Proceeds". As at 31 December 2022, the unutilized net proceeds was in the amount of approximately HKD262.6 million.

During the year ended 31 December 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 in 2022 *(in HKD'000)* (approximate)	Net proceeds unutilized as at 31 December 2022 *(in HKD'000)* (approximate)	Expected time of use
40% for enhancement of R&D capabilities and product offerings	1,121,840	866,429	255,411	—	
25% for pursue of acquisitions of or investments in assets and business and support our growth strategies	701,150	363,654	74,873	262,623	To be gradually used in 2023 and 2024
25% for improvement and implementation our sales and marketing initiative to (i) expand our user and customer base and increase spending by our existing customers; and (ii) continued optimization of our online advertising and promotion activities marketing	701,150	701,150	—	—	
10% for working capital and general corporate purpose	280,460	280,460	—	—	
	2,804,600	2,211,693	330,284	262,623	

For the unutilized net proceeds in the amount of approximately HKD262.6 million as at 31 December 2022, the Company intends to apply them in the same manner and proportion as stated in the Prospectus and proposes to use the unutilized net proceeds in accordance with the expected timeframe disclosed in the Prospectus.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, the Group has no other plans for material investments and capital assets.

DIRECTORS

Executive Directors

Mr. Dai Kebin (戴科彬), aged 42, is our executive Director, appointed on 30 January 2018. He is also the Chairman of the Board and the Chief Executive Officer of our Company. He is primarily responsible for the overall strategic planning and business direction of our Group and management of our Company. He is also the Chairman of the Nomination Committee of our Company. Prior to joining our Group, Mr. Dai worked as a brand manager in the marketing department in the Great China region of Procter & Gamble Company, the shares of which are listed on the New York Stock Exchange (stock symbol: PG), from July 2003 to February 2008. Mr. Dai received a bachelor's degree in finance from Sun Yat-sen University in June 2003. Mr. Dai currently holds directorships in the following principal subsidiaries of our Group: Wisest, TD Elite and Liedao.

Mr. Chen Xingmao (陳興茂), aged 46, is our executive Director, appointed on 23 March 2018. He is also the Chief Technology Officer of the Company. He is primarily responsible for overseeing product research and development and developing strategies for the technological advancement of our Group. Prior to joining our Group, Mr. Chen worked at Xiamen Dongnan Longtop Technologies Limited from December 2005 to September 2006. Mr. Chen received a bachelor's degree in marine chemistry and a master's degree in environmental science from Ocean University of China (formerly known as Ocean University of Qingdao) in July 1999 and June 2002, respectively. Mr. Chen currently holds directorships in the following principal subsidiaries of our Group: Liedao and TD Elite.

Non-executive Director

Mr. Shao Yibo (邵亦波), aged 49, is our non-executive Director, appointed on 23 March 2018. Mr. Shao has been a founding partner of Matrix Partners China, a leading technology venture capital firm in the PRC since 2008. From 1999 to 2004, Mr. Shao was the founder and the chief executive officer of EachNet.com, an e-commerce company, which was acquired by eBay Inc., the shares of which are listed on the NASDAQ (stock symbol: EBAY), in July 2003. From July 2014 to May 2019, Mr. Shao served as a director of LexinFintech Holdings Ltd., the shares of which are listed on NASDAQ (stock symbol: LX). From June 2018 to March 2019, Mr. Shao served as a non-executive director of BabyTree Group, the shares of which are listed on the Main Board of Hong Kong Stock Exchange (Stock code: 1761). Mr. Shao received a bachelor's degree, summa cum laude, in physics and engineering science from Harvard College of Harvard University in June 1995, and a master of business administration degree from Harvard Business School in June 1999.

Independent Non-executive Directors

Mr. Ye Yaming (葉亞明), aged 59, is our independent non-executive Director, appointed on 9 June 2018. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of our Company. Mr. Ye served as the former chief scientist, the chief technology officer and senior vice president of Ctrip, a company currently listed on the NASDAQ (stock symbol: CTRP) from August 2011 to February 2017. From October 2001 to July 2011, he held various positions at eBay and he served as the director of software development before leaving. Mr. Ye received a bachelor's degree in mathematics from Jilin University in July 1984, a master of engineering degree from Institute of Computing Technology Chinese Academy of Sciences in September 1990 and a master of arts degree from Wayne State University in December 1993.

Mr. Zhang Ximeng (張溪夢), aged 46, is our independent non-executive Director, appointed on 9 June 2018. He is also the Chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee of our Company. Prior to joining our Group, since May 2015, Mr. Zhang has been the chief executive officer and one of the cofounders of GrowingIO, a data analytics company which provides closedloop data operations across various industries. From April 2010 to February 2015, Mr. Zhang worked at LinkedIn Corporation, and he was senior director of business analytics before leaving. Mr. Zhang received a master of business administration degree from Baldwin Wallace University in May 2004.

Mr. Choi Onward (蔡安活), aged 52, is our independent non-executive Director, appointed on 9 June 2018. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee of our Company. Prior to joining our Group, Mr. Choi served as the acting chief financial officer of NetEase, Inc., a company listed on the NASDAQ (stock symbol: NTES), from July 2007 to June 2017. Mr. Choi received a bachelor of arts degree in accountancy with honors from the Hong Kong Polytechnic University in November 1993. Mr. Choi is a fellow member of the Association of Chartered Certified Accountants, a fellow member of the CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Choi currently serves as a director in the following publicly listed companies:

- Beijing Jingkelong Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 814), as an independent non-executive director;

- Infinities Technology International (Cayman) Holding Limited (formerly known as "Jiu Zun Digital Interactive Entertainment Group Holdings Limited"), a company listed on the Hong Kong Stock Exchange (stock code: 1961), as an independent non-executive director;

- Tuniu Corporation, a company listed on the NASDAQ (stock symbol: TOUR), as an independent director;

- Ucloudlink Group Inc., a company listed on the NASDAQ (stock symbol: UCL), as an independent director; and

- Smart Share Global Limited, a company listed on the NASDAQ (stock symbol: EM), as an independent director.

SENIOR MANAGEMENT

Our senior management team, in addition to our Directors listed above, is as follows:

Mr. Dai Kebin (戴科彬), aged 42, is our executive Director, the Chairman of the Board and the Chief Executive Officer. Mr. Dai is primarily responsible for the overall strategic planning and business direction of our Group and management of our Company, and is acting as the Chairman of the Nomination Committee of our Company. Please see his biography in the part headed "Directors — Executive Directors" in this section.

Mr. Chen Xingmao (陳興茂), aged 46, is our executive Director and the Chief Technology Officer. Mr. Chen is primarily responsible for overseeing product research and development and developing strategies for technological advancement of our Group. Please see his biography in the part headed "Directors — Executive Directors" in this section.

Mr. Tian Ge (田歌), aged 36, is our Chief Financial Officer. Mr. Tian is primarily responsible for overseeing the corporate finance of our Group, handling investor relations, and overseeing all investments and acquisitions of our Group. He joined the Group in November 2019. Prior to joining the Group, Mr. Tian held various positions in China, France, the United States, the United Kingdom and Singapore at General Electric Company, a company listed on the New York Stock Exchange (stock symbol: GE), including as the Head of Finance of GE Power Global Repair Solutions APAC, from December 2009 to October 2019. Mr. Tian received a bachelor's degree in international accounting from Sichuan University in June 2008. Mr. Tian is a member of the Association of Chartered Certified Accountants (ACCA).

COMPANY SECRETARY

Ms. Fung Wai Sum (馮慧森), aged 40, is our company secretary. Ms. Fung is a senior manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Fung has over 15 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Fung is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute (formerly known as "The Hong Kong Institute of Chartered Secretaries") and The Chartered Governance Institute in the United Kingdom.

PRINCIPAL ACTIVITIES

We operate the leading online talent services platform in China focused on mid- to high-end talent acquisition services, where we host a range of proprietary online platform and SaaS solutions and provide them to our registered individual users, verified business users and verified headhunters over the internet. Through the application of AI technology and Big Data analytics, our mobile app, website, branded WeChat official account and mini program, we offer a comprehensive set of talent services to help business users to acquire talents and serve talents in an effective and efficient manner and provided talent development services to individual users. As we recognize the centrality of our service providing platforms to connecting different players of our ecosystem, we have continually revamped and improved the platforms' interfaces to enhance users' experience and strengthen the platform's security. Further details of such new products are set out in the section headed "Management Discussion and Analysis — Talent Acquisition Services to Business Users" at page 14 of this annual report.

There were no significant changes in the nature of the Group's principal activities during the year. Please refer to note 1 to the Consolidated Financial Statements on page 102 for details of the principal activities of the principal subsidiaries of the Group.

RESULTS

The results of the Group for the year ended 31 December 2022 are set out in the Consolidated Financial Statements of the Group on pages 94 to 170 of this annual report.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2022.

SHARE CAPITAL

Details of the issued shares of the Company during the year are set out in note 28(d) to the Consolidated Financial Statements.

RESERVES

Details of the movements in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on pages 98 to 99 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2022, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Act of the Cayman Islands, amounted to approximately RMB2,537.2 million (2021: approximately RMB2,643.0 million).

CONTINUING DISCLOSURE OBLIGATIONS PURSUNAT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial information and financial statements, is set out on page 172 of this annual report.

BORROWINGS

The Company had no other bank loans, convertible loans and borrowings nor did the Company issue any bonds as of 31 December 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 12 to the Consolidated Financial Statements.

SUFFICIENCY OF PUBLIC FLOAT

The Hong Kong Stock Exchange has granted a waiver (the "**Waiver**") to the Company from strict compliance with the minimum public float of 25% upon completion of the global offering of the Company and the exercise of the over-allotment options. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the percentage of shares of the Company in public hands satisfies the minimum percentage prescribed in the conditions imposed in the Waiver granted by the Hong Kong Stock Exchange from strict compliance with Rule 8.08(1) of the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

ANNUAL GENERAL MEETING

The forthcoming AGM of the Company will be held on Thursday, 1 June 2023. The notice of the AGM will be published and despatched in due course in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 29 May 2023 to Thursday, 1 June 2023, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all duly completed share transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar and Transfer Office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 25 May 2023.

BUSINESS REVIEW

Overview and Performance of the Year

A review of the business of the Group and analysis of the Group's performance using financial key performance indicators is provided in the Management Discussion and Analysis section on pages 11 to 33 of this annual report.

Environmental Policies and Performance

The Group does not operate any production facility. Individual users, business users and headhunters can access our paperless platform via personal computers or mobile app, therefore, it is not subject to significant environmental risks, laws or regulations. Nevertheless, the Group is committed to environmental protection, energy conservation and emission reduction, and the rational use of resources and energy. Adhering to the concept of environmental protection, the Group has also promoted green operations and advocated the concept of green office. Environmental protection, energy conservation and emission reduction, and reasonable and effective utilization of resources have been consistently implemented during daily operation of the Group. The Group has also thrived to take action to reduce its footprint and raise environmental awareness of its employees. For example, the Group has been working on reducing its energy use, consumption and wastage by actively promoting recycling concept, using less paper, saving electricity and water and reducing the use of plastic supplies and containers.

The environmental and social matters that have a significant impact on the Group will be disclosed in the Environmental, Social and Governance Report to be issued separately under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 of the Listing Rules.

Compliance with Relevant Laws and Regulations

The Group has complied with the requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Listing Rules, the SFO, the CG Code for, among other things, the disclosure of information and corporate governance. The Group has adopted the Model Code. For further details, please refer to the section headed "Compliance with the CG Code" in this section. The Group has also complied with other relevant laws and regulations that have a significant impact on the operations of the Group. Please refer to the section headed "Regulations" in the Prospectus for details.

Key Relationships with Stakeholders

With the goal of developing into a trustworthy public company and a green enterprise, the Company actively fulfills its social responsibility. The Group, with high-quality products and services, is committed to creating good internal and external corporate relationships and believes that good corporate governance helps the Company safeguard the interests of its shareholders and enhance the performance of the Group. We regard our employees as the most valuable assets of the Company and we provide regular trainings to them in order to broaden their knowledge and improve their skills. We also have efficient human resources management in place to maximise the potential of our employees.

As for headhunters, we regard them as not only players in our ecosystem but also valued business partners. Through giving weight to headhunters and individual users in the ecosystem of *Liepin* (獵聘), we have strengthened the interaction between headhunters and individual users, increased the number of repeated users and inspired users' loyalty, thus popularised our brand and enhanced the degree of activeness of our platform users. Details are set out in the Management Discussion and Analysis section from page 14 of this annual report.

The Group is committed to improving our services and products to our customers. Through our mobile app, website, branded WeChat official account and mini program, we offer a comprehensive set of talent services to help business users to acquire and serve talents in an effective and efficient manner. We are constantly in the process of exploring and refining enhancements to our systems, including intelligence matching algorithm, headhunter rating system, instant messaging and online video interview, etc.

The Group recognizes the importance of protecting shareholders' interests and understands that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group believes that communication with its shareholders is a two-way process and has been proactive on ensuring the quality and effectiveness of information disclosure, maintaining an on-going dialogue with the shareholders and listening carefully to the views and feedback it receives from the shareholders. This has been achieved through AGMs, extraordinary general meetings, corporate communications, quarterly results, interim and annual reports and results announcements.

Key Risks and Uncertainties

There are certain key risks and uncertainties involved in our operations, some of which are beyond our control. Set out below is the material risks and uncertainties that we face:

Risks Relating to Our Business and Our Industry

The Group being a leading talent services platform in China focused on mid- to high-end talent acquisition services who rely heavily on our business as well as individual customers' experience and usage as they are the primary source of our revenues. Major risks relating to our business and our industry include, but not limited to, (1) failure to improve our users' experience or respond to changes in user preferences such that we may not be able to attract and retain individual and business users, which may have adverse effect on our business and results of operations; (2) failure to respond in a timely and cost effective manner to rapid product and service innovations demand, which may have impact on our business and operating results; (3) failure to keep up with technological advancements or adopt new technologies timely in response to users demands, which may adversely affect our business and operating results; (4) significant competition from online and offline service providers, particularly professional social network platforms, which may lead us to suffer from a loss of individual and business users; and (5) seasonality in the hiring market and downturns in the macro-economic conditions in China may cause our results of operations to fluctuate. In order to manage the Group's exposure to the aforementioned risks, the Group has been focusing on increasing the number of business users that offer job opportunities, the quantity and quality of job postings on our platform, and the service quality of headhunters and other talent service providers, so as to broaden our base of individual users. We are also committed to exploring and advancing our technologies in order to improve users' experience.

Other major risks relating to our business and our industry include (1) failure to attract or retain business customers or increase purchase from our existing customers; and (2) failure to continue to attract or incentivize headhunters and other talent service providers to participate in our ecosystems, which may harm our operating results. In order to manage the Group's exposure to the risk of failure to attract or retain business customers, the Group has strived and will strive to continually attract new business customers and retain existing business customers by providing additional high-quality services or solutions valued by the business customers. The Group has been working hard to demonstrate that its talent acquisition services are an important recruiting tool for its business customers. In order to continue to attract or incentivize headhunters and other talent service providers to participate in our ecosystem, we will continue to grow our talent base and attract more business customers to use our platform and services. Further, we will continue improving and introducing services and tools to the headhunters and other service providers to enable them to better serve the individual and business users on our platform.

Risks Relating to Potential Claims or Proceedings Brought against Us

Major risks relating to potential claims or proceedings brought against us include, but not limited to, (1) failure to comply with laws and regulations on collection, disclosure, security and use of personal data and other privacy-related matters could damage our reputation and deter our users from using our services and may result in proceedings or actions against us by government entities or private individuals; (2) we may be vulnerable to intellectual property infringement claims brought against us by others in the ordinary course of our business. The Group has obtained necessary licenses and permits to operate its business. The Group has internal policies and measures that require employees to protect the personal data of our users and customers, and employees who violate such policies are subject to disciplinary actions, including dismissal. The Group has also adopted and implemented a series of technology-based protective measures to prevent unauthorized collection, use or disclosure of personal data. We have strived and will strive to comply with all applicable personal data protection laws and regulations as well as our own privacy policies, and we believe that we are in compliance with the applicable PRC laws and regulations on personal data protection. We also require our employees not to infringe others' intellectual property and have worked hard to ensure that our products, services, content and brand names do not and will not infringe on valid patents, trademarks, copyrights or other intellectual property rights held by third parties.

Risks Relating to Damage of Our Brand

We have developed a strong brand that we believe has contributed significantly to the success of our business. Failure to maintain, protect and enhance our *Liepin* (獵聘) brand would hurt our ability to retain or expand our user and customer base. Many factors, some of which are beyond our control, may negatively impact our brand and reputation, such as any failure to maintain a pleasant and reliable experience for users as their preferences evolve and as we expand into new services; any negative publicity relating to our products and services or online talent services industry in general; complaints by our users and customers about our products and services, etc. In order to maintain and ensure that there is adequate protection for the Group's brand, we will work hard in providing high-quality services or solutions to our users and customers.

Other Risks

The Group is exposed to various types of other risks, including credit risk, liquidity risk and currency risk. Details of such risks are set out in note 29 to the Consolidated Financial Statements in this annual report.

PROSPECTS

A description of the future development in the Company's future business is provided in the Chairman's Statement and the Management Discussion and Analysis on page 9 and page 19 respectively of this annual report.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no other significant events occurred after the Reporting Period that may affect the Group.

DIRECTORS

The Directors during the year ended 31 December 2022 and up to the date of this annual report are:

Executive Directors

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

Non-executive Director*

Mr. Shao Yibo

Independent Non-executive Directors

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

* Mr. Zuo Lingye resigned as a non-executive Director of the Company on 15 September 2022 and Mr. Ding Gordon Yi resigned as a non-executive Director of our Company on 17 June 2022.

In accordance with article 16.18 of the Articles of Association, one-third of the Directors for the time being will retire from office by rotation at every annual general meeting and, being eligible, offer themselves for re-election.

In accordance with article 16.2 of the Articles of Association, any Director appointed by the Board from time to time and at any time to fill a casual vacancy or as an addition to the existing Board of Directors will hold office until the next following general meeting of the Company and be eligible for re-election at that meeting.

In accordance with article 16.3 of the Articles of Association, subject to the provisions of the Articles of Association and the Companies Act (2023 Revision) (as consolidated and revised) of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Details of the Directors to be re-elected at the AGM are set out in the circular to shareholders dated 29 April 2023.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 34 to 36 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a renewed service contract with the Company under which they agreed to act as executive Directors for a term of three years commencing from their respective effective date of the renewed appointment, i.e. 29 June 2021, which may be terminated by not less than one months' notice in writing served by either the executive Director or the Company. Each of the non-executive Directors and the independent non-executive Directors has signed a renewed service contract and/or an appointment letter with the Company for a term of one year with effect from 29 June 2021 (which was subsequently renewed with a further term of one year each mutually agreed by and between the non-executive Director/independent non-executive Director and the Company in writing within one month). The appointments of Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors proposed for re-election at the AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

We have received from each of the independent non-executive Directors, namely Mr. Ye Yaming, Mr. Zhang Ximeng and Mr. Choi Onward, the confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of these Directors. We consider that our independent non-executive Directors have been independent from the date of their appointments to 31 December 2022 and remain so as of the date of this annual report.

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

As far as the Company is aware, as at 31 December 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 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, 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[(1)]	287,287,178	54.74
	Interest of spouse[(2)]	2,112,145	0.40
Mr. Chen Xingmao	Founder of a discretionary trust[(3)]	14,098,226	2.69

Notes:

(1) 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 287,287,178 shares in the Company (equivalent to approximately 54.74% of the total issued share capital of the Company as at 31 December 2022) which May Flower is interested. May Flower holds 111,276,199 shares in the Company beneficially (equivalent to approximately 21.20% of the total issued share capital of the Company as at 31 December 2022) and it was granted the following voting proxies over the ordinary shares of the Company, which in aggregate amount to 176,010,979 shares out of the 287,287,178 shares (equivalent to approximately 33.54% of the total issued share caital of the Company as at 31 December 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. 25,442,731 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.

(2) 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[1]	Wisest (Beijing) Management Consulting Co., Ltd.	3,902,580	9.82
	Beneficial owner	May Flower Information Technology Co., Limited	1	100.00
Mr. Chen Xingmao	Beneficial owner	Wisest (Beijing) Management Consulting Co., Ltd.	947,460	2.38

Note:

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

Save as disclosed above, as at 31 December 2022, none of the Directors or chief executives of the Company 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 31 December 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 (%)
Ms. Song Yueting	Founder of a discretionary trust(1)	2,112,145 (long position)	0.40
	Interest of spouse(2)	287,287,178 (long position)	54.74
May Flower Information Technology Co., Limited(3)	Beneficial owner	287,287,178 (long position)	54.74
Matrix Partners China I, L.P.(4)	Beneficial owner	56,542,087 (long position)	10.77
Matrix China Management I, L.P.(4)	Interest of controlled corporation	62,271,019 (long position)	11.87
Matrix China I GP GP, Ltd.(4)	Interest of controlled corporation	62,271,019 (long position)	11.87
Giant Lilly Investment Ltd(5)	Beneficial owner	81,309,219 (long position)	15.49
Warburg Pincus Private Equity XI, L.P.(5)	Interest of controlled corporation	81,309,219 (long position)	15.49
Warburg Pincus XI, L.P.(5)	Interest of controlled corporation	81,309,219 (long position)	15.49
WP Global LLC(5)	Interest of controlled corporation	81,309,219 (long position)	15.49
Warburg Pincus Partners II, L.P.(5)	Interest of controlled corporation	81,309,219 (long position)	15.49

Name of Shareholder	Capacity/Nature of Interest	Total number of shares	Approximate Percentage of Shareholding Interest (%)
Warburg Pincus Partners GP LLC[(5)]	Interest of controlled corporation	81,309,219 (long position)	15.49
Warburg Pincus & Co.[(5)]	Interest of controlled corporation	81,309,219 (long position)	15.49
FMR LLC[(6)]	Interest of controlled corporation	41,961,022 (long position)	8.00
Yiheng Capital, LLC	Beneficial owner	42,165,499 (long position)	8.03
Tricor Trust (Hong Kong) Limited[(7)]	Trustee	27,630,993 (long position)	5.27
Futureshare Limited[(7)]	Beneficial owner	27,630,993 (long position)	5.27

Notes:

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

(2) Mr. Dai Kebin is the spouse of Ms. Song Yueting. Mr. Dai Kebin is interested in 287,287,178 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 45 of this annual report.

(3) May Flower is wholly-owned by Pioneer Choice Global Limited, which is in turn wholly-owned by SMP Trustees (Hong Kong) Limited, as the trustee of The Dai Family Trust. Mr. Dai Kebin (as settlor of The Dai Family Trust), SMP Trustees (Hong Kong) Limited and Pioneer Choice Global Limited are deemed to be interested in 287,287,178 shares in the Company which May Flower is interested. May Flower beneficially holds 111,276,199 shares in the Company (equivalent to approximately 21.20% of the total issued share capital of the Company as at 31 December 2022) and it was granted the following voting proxies over the ordinary shares of the Company, which in aggregate amount to 176,010,979 shares out of the 287,287,178 shares (equivalent to approximately 33.54% of the total issued share capital of the Company as at 31 December 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. 25,442,731 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;

vi. 26,112,382 shares of the Company held by Yiheng Capital, LLC and/or its affiliates.

(4) Matrix China Management I, L.P. is the general partner of Matrix Partners China I-A, L.P., which beneficially holds 56,542,087 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..

(5) 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..

(6) The relevant interests of FMR LLC were held via its subsidiaries.

(7) Futureshare Limited is wholly-owned by Tricor Trust (Hong Kong) Limited, as the trustee of Futureshare Partner Trust.

Save as disclosed above, as at 31 December 2022, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended 31 December 2022 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 spouse 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.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2022 and up to the date of this annual report, none of the Directors or their associates had any interest in a business that competes or may compete, either directly or indirectly, with the business of the Group.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

The transactions contemplated under the Contractual Arrangements are continuing connected transactions of our Company and are subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entities were treated as the Company's wholly-owned subsidiaries, and their directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates were treated as the Company's "connected persons".

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with (where applicable) (i) the announcement and independent shareholders' approval requirements, (ii) the annual cap requirement, and (iii) the requirement of limiting the term of the continuing connected transactions set out in Chapter 14A of the Listing Rules for such continuing connected transactions. The Company has complied with the waiver conditions set out by the Hong Kong Stock Exchange and all necessary Listing Rules requirements as required by the Hong Kong Stock Exchange.

Connected Persons

The following parties, which have entered into certain written agreements with our Group, are connected persons of our Group:

Name	Connected Relationship
Mr. Dai Kebin	an executive Director, substantial shareholder and controlling shareholder of our Company
Associates of Mr. Dai Kebin	associates of Mr. Dai Kebin as defined under Rule 14A.07(4) of the Listing Rules
Mr. Chen Xingmao	an executive Director of our Company
Giant Lilly Investment Ltd	a substantial shareholder of our Company
Matrix Partners I Hong Kong Limited	associate of Matrix Partners China I, L.P., a substantial shareholder of our Company

Reasons for the Contractual Arrangements

Our primary businesses involve the provision of talent services and the offering of online information services through our online platform are subject to foreign investment restrictions under the PRC laws and which are currently conducted by our Consolidated Affiliated Entities, i.e. Wisest, TD Elite and Liedao, through the Contractual Arrangements (the "**Relevant Businesses**").

Due to the foreign investment restrictions under PRC law, and after consultation with our PRC legal advisor, we determined that it was not viable for our Group to directly hold more than 70% equity ownership in Wisest, or any equity ownership in either of TD Elite or Liedao. Instead, we decided that, in line with common practices in industries in the PRC subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by each of Wisest, TD Elite and Liedao through the Contractual Arrangements between Tongdao Liepin (Tianjin), an indirect wholly-owned subsidiary of our Company established in the PRC, on the one hand, and each of Wisest, TD Elite and Liedao and their respective relevant shareholders (the "**Relevant Shareholders**"), on the other hand.

Wisest is a LLC established in the Zhongguancun Science Park (中關村國家自主創新示範區), Beijing, the PRC on 7 September 2006, owned as to 70% by TD Elite (HK) Information Technology Co., Limited, 27.62% by Mr. Dai Kebin and 2.38% by Mr. Chen Xingmao upon completion of the reorganization arrangements undertaken by the Group in preparation for the initial public offering of the Company. Its primary business is the provision of offline talent services to business customers and headhunters (the "**Talent Intermediary Services**"). Wisest currently holds a license for human resources service (人力資源服務許可證) (the "**HR Service License**") which is required for the operation of the Talent Intermediary Services.

TD Elite is a LLC established in Tianjin, the PRC on 27 July 2015, owned as to 50.1% by Liedao, 21.88% by Matrix Partners China I Hong Kong Limited, 21.345% by Giant Lilly Investment Ltd and 6.675% by Tenzing Holdings Hong Kong Limited. Its primary business is the provision of talent services to individual users, business customers and headhunters through our online platform "Liepin.com". TD Elite is a Sino-foreign joint venture which currently holds an ICP License and a HR Service License, which are required for the provision of the Talent Intermediary Services through our online platform "*Liepin.com*".

Liedao is a LLC established in Tianjin, the PRC on 25 April 2014, owned as to 99% by Mr. Dai Kebin and 1% by Mr. Chen Xingmao. Its primary business is investment holding. Liedao currently holds a HR Service License which is required for the operation of the Talent Intermediary Services.

The principal business activities of the Consolidated Affiliated Entities fall within the scope of Talent Intermediary Services and value-added telecommunication services (增值電信業務) ("**VATS**"), and foreign investments in such services in the PRC are subject to restrictions under the PRC laws and regulations. In order to comply with the PRC laws and regulations, Tongdao Liepin (Tianjin), an indirect wholly-owned subsidiary of the Company which is a LLC established in the PRC, entered into a series of Contractual Arrangements in April 2018 with each of Wisest, TD Elite and Liedao and the Relevant Shareholders, through which the Company exercises effective control over and receive all the economic benefits generated by the businesses currently operated by each of Wisest, TD Elite and Liedao. As a result, the Company has control of 30% equity interests in Wisest, and 100% equity interests in each of TD Elite and Liedao.

Our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated between Tongdao Liepin (Tianjin) and each of Wisest, TD Elite and Liedao and the respective Relevant Shareholders, (ii) by entering into the Exclusive Business Cooperation Agreements with Tongdao Liepin (Tianjin), each of Wisest, TD Elite and Liedao and their respective subsidiaries enjoys better economic and technical support from us, as well as a better market reputation after listing, and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

The transactions contemplated under the Contractual Arrangements are continuing connected transactions of our Company and are subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Risks Relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 52 to 58 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in the Consolidated Affiliated Entities.

- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. The Consolidated Affiliated Entities or the Relevant Shareholders may fail to perform their obligations under our Contractual Arrangements.

- The ultimate shareholders of our Consolidated Affiliated Entities may have conflicts of interest with us, which may materially and adversely affect our business.

- If we exercise the option to acquire equity ownership and assets of our Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.

- We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are material to our business operations if our Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.

- We may not be able to meet the qualification requirements for VATS and our plan to unwind the Contractual Arrangements may be subject to certain limitations.

- Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of the Draft Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

- Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated profit.

Contractual Arrangements in Place

The Contractual Arrangements which were in place during the year ended 31 December 2022 and a brief description of the major terms of the structured contracts under the Contractual Arrangements are as follows:

Exclusive Option Agreements

On 26 April 2018, each of Wisest, TD Elite and Liedao and the Relevant Shareholders entered into an exclusive option agreement with Tongdao Liepin (Tianjin) (collectively, the "**Exclusive Option Agreements**"), pursuant to which Tongdao Liepin (Tianjin) (or our Company or any subsidiary of our Company, the "**designee**") is granted an irrevocable and exclusive right to purchase: (1) 30% of the equity interest in and/or assets of Wisest, and (2) all of the equity interest in and/or assets of each of TD Elite and Liedao which are not owned by our Group and/or assets of each of Wisest, TD Elite and Liedao for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, the Relevant Shareholders and/or each of Wisest, TD Elite and Liedao shall return any amount of purchase price they have received to Tongdao Liepin (Tianjin). At Tongdao Liepin (Tianjin)'s request, the Relevant Shareholders and/or each of Wisest, TD Elite and Liedao will promptly and unconditionally transfer their respective equity interests in and/or the relevant assets of each of Wisest, TD Elite and Liedao to Tongdao Liepin (Tianjin) (or its designee) after Tongdao Liepin (Tianjin) exercises its purchase right. The Exclusive Option Agreements are for an initial term of 10 years and is automatically renewable upon expiry unless Tongdao Liepin (Tianjin) confirms a new renewal term in writing.

Exclusive Business Cooperation Agreements

On 26 April 2018, each of Wisest, TD Elite and Liedao entered into an exclusive business cooperation agreement with Tongdao Liepin (Tianjin) (collectively, the "**Exclusive Business Cooperation Agreements**"), pursuant to which each of Wisest, TD Elite and Liedao agrees to engage Tongdao Liepin (Tianjin) as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment leasing, market consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to Tongdao Liepin (Tianjin)'s adjustment, are equal to (i) 30% of the net profit of Wisest and its subsidiaries and (ii) all of the net profit of each of TD Elite and Liedao and their respective subsidiaries. Tongdao Liepin (Tianjin) enjoys (i) 30% of the economic benefits derived from the businesses of Wisest and its subsidiaries and (ii) all the economic benefits derived from the businesses of TD Elite and Liedao and their respective subsidiaries and bears the relevant portion of the business risks of Wisest, TD Elite and Liedao, respectively. If Wisest, TD Elite and Liedao runs into financial deficit or suffers severe operation difficulties, Tongdao Liepin (Tianjin) will provide financial support to Wisest, TD Elite and Liedao proportionately. Notwithstanding the above, no service fee has been charged by Tongdao Liepin (Tianjin) in 2022. It is also agreed between Tongdao Liepin (Tianjin) and each of Wisest, TD Elite and Liedao that Tongdao Liepin (Tianjin) will not charge any service fee for 2022 retrospectively in the future.

Share Pledge Agreements

On 26 April 2018, each of Wisest, TD Elite and Liedao, the Relevant Shareholders and Tongdao Liepin (Tianjin) entered into a share pledge agreement (collectively, the "**Share Pledge Agreements**"). Under the Share Pledge Agreements, the Relevant Shareholders will pledge as first charge all of their respective equity interests in Wisest, TD Elite and Liedao to Tongdao Liepin (Tianjin) as collateral security for any or all of their payments due to Tongdao Liepin (Tianjin) and to secure performance of their obligations under the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements and the Powers of Attorney (as defined below).

Powers of Attorney

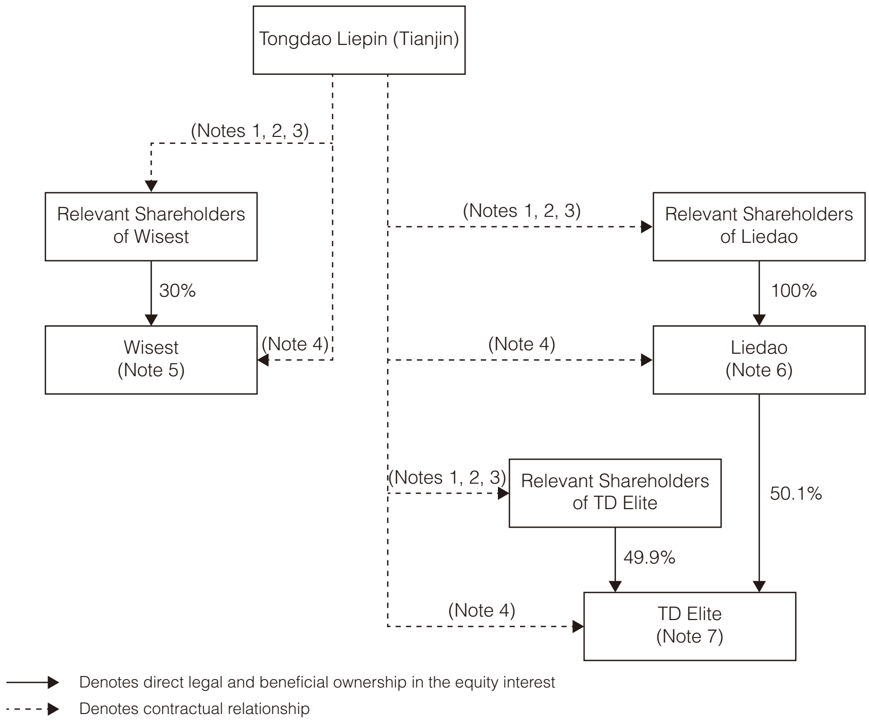
On 26 April 2018, each of Wisest, TD Elite and Liedao, the Relevant Shareholders and Tongdao Liepin (Tianjin) entered into an irrevocable power of attorney (collectively, the "**Powers of Attorney**"), whereby the Relevant Shareholders will appoint Tongdao Liepin (Tianjin) or a director of its offshore holding company or its/his/her successor (including a liquidator replacing Tongdao Liepin (Tianjin)'s director) as their exclusive agent and attorney to act on their behalf on all matters concerning each of Wisest, TD Elite and Liedao and to exercise all of its rights as a registered shareholder of each of Wisest, TD Elite and Liedao.

Shareholder Undertakings

On 26 April 2018, the corporate registered shareholders of Wisest and TD Elite irrevocably undertook to Tongdao Liepin (Tianjin) that they will not enter into any pledge, disposal, creating any encumbrance or any other third party right in respect of their respective interests in Wisest and TD Elite which would jeopardize the priority of the pledges under the relevant Share Pledge Agreement in relation to Wisest and TD Elite or affect the stable performance of the Contractual Arrangements in respect of Wisest and TD Elite.

For details of the Contractual Arrangements, please refer to the section headed "Contractual Arrangements" in the Prospectus.

The following simplified diagram illustrates the flow of economic benefits from each of Wisest, TD Elite and Liedao and their respective subsidiaries to our Group stipulated under the Contractual Arrangements:



Notes:

(1) Powers of attorney to exercise 30% shareholders' rights in Wisest and all shareholders' rights in TD Elite and Liedao, respectively.

(2) Exclusive option to acquire (i) 30% of the equity interest in and/or assets of Wisest and (ii) all of the equity interest in and/or assets of each of TD Elite and Liedao, respectively.

(3) First priority security interest over (i) 30% equity interest in Wisest and (ii) the entire equity interest in TD Elite and Liedao, respectively.

(4) Business support, technical and consulting service fees.

(5) The Relevant Shareholders of Wisest are Mr. Dai Kebin holding as to 17.80%, Mr. Chen Xingmao holding as to 2.38% and the following holding entities (the "**Holding Entities**"): Tianjin Liejin Asset Management Partnership (Limited Partnership) (天津獵津資產管理合夥企業(有限合夥)) which holds approximately 3.05% of the equity interest in Wisest, Tianjin Liexin Enterprise Management Partnership (Limited Partnership) (天津獵鑫企業管理合夥企業(有限合夥)) which holds approximately 2.66% of the equity interest in Wisest, Tianjin Kuailie Enterprise Management Partnership (Limited Partnership) (天津快獵企業管理合夥企業(有限合夥)) which holds approximately 2.68% of the equity interest in Wisest, and Tianjin Qilie Enterprise Management Partnership (Limited Partnership) (天津奇獵企業管理合夥企業(有限合夥)) which holds approximately 1.43% of the equity interest in Wisest. Pursuant to a control agreement dated 15 October 2015 entered into between Mr. Dai Kebin and the employees of each of the Holding Entities, Mr. Dai Kebin has control of the managerial and executive functions of the Holding Entities, and is therefore deemed to be interested in a total number of shares held by the Holding Entities in Wisest.

(6) The Relevant Shareholders of Liedao are Mr. Dai Kebin and Mr. Chen Xingmao, holding as to 99% and 1% of the shares in Liedao, respectively.

(7) The Relevant Shareholders of TD Elite are Liedao holding as to 50.1%, Tenzing Holdings Hong Kong Limited, a LLC incorporated in Hong Kong, holding as to 6.68%, Matrix Partners China I Hong Kong Limited, a LLC incorporated in Hong Kong, holding as to 21.88%, and Giant Lilly, a LLC incorporated in the Republic of Mauritius, holding as to 21.35% of the shares in TD Elite, respectively.

Apart from the above, there are no other new contractual arrangements entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the financial year ended 31 December 2022. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 31 December 2022.

For the year ended 31 December 2022, none of the Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements has been removed.

Save as disclosed above, during the year ended 31 December 2022, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to the Rules 14A.49 and 14A.71 of the Listing Rules.

During the year ended 31 December 2022 no related party transactions disclosed in note 30 to the Consolidated Financial Statements constitutes a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules for the continuing connected transactions set out in this section, the Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

We have been advised by our PRC legal advisor that the Contractual Arrangements do not violate the relevant PRC laws and regulations.

The revenue of Wisest, TD Elite and Liedao for the year ended 31 December 2022 were RMB43.2 million, RMB1,570.5 million, and RMBnil, respectively (2021: RMB70.5 million, RMB1,546.3 million, and RMBnil, respectively).

The (losses)/profits of Wisest, TD Elite and Liedao for the year ended 31 December 2022 were, RMB(23.9) million, RMB(38.2) million, and RMB9.3 million, respectively (2021: RMB(1.5) million, RMB74.0 million, and RMB21.6 million, respectively).

The total assets of Wisest, TD Elite and Liedao for the year ended 31 December 2022 were RMB664.6 million, RMB1,146.4 million, and RMB369.1 million, respectively (2021: RMB738.4 million, RMB1,181.6 million, and RMB337.1 million, respectively).

For the year ended 31 December 2022, the revenue of Wisest, TD Elite and Liedao amounted to approximately 1.6%, 59.5% and nil, respectively (2021: 2.7%, 58.3% and nil, respectively) of the revenue for the year of the Group.

Mitigation Actions Taken by the Company

Our management works closely with the Relevant Shareholders and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

The Extent to which the Contractual Arrangements Relate to Requirements Other than the Foreign Ownership Restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 157 to 162 of the Prospectus.

Listing Rule Implications

The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Waiver from the Hong Kong Stock Exchange and Annual Review

The Hong Kong Stock Exchange has granted the Company a waiver pursuant to Rule 14A.105 of the Listing Rules from strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, under Rule 14A.53 of the Listing Rules for the fees payable to Tongdao Liepin (Tianjin) under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the shares of the Company are listed on the Hong Kong Stock Exchange subject to the following conditions:

a) no change without independent non-executive Directors' approval;

b) no change without independent shareholders' approval;

c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

d) the Contractual Arrangements may be renewed and/or reproduced upon expiry or when justified by business expediency, without obtaining the approval of the shareholders, on substantially the same terms and conditions as the Contractual Arrangements; and

e) our Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Qualification Requirements

On 11 December 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the "**FITE Regulations**"), which were amended on 10 September 2008 and 6 February 2016, respectively. According to the FITE Regulations, foreign investor who invests in VATS business in the PRC must possess the Qualification Requirement of VATS (as defined below). On March 29, 2022, the State Council promulgated the Decision on Revising and Repealing Some Administrative Regulations, according to which, the FITE Regulations has been amended so that, among others, starting from May 1, 2022, the Qualification Requirement of VATS will no longer exist. As such, upon approval, foreign investors without a good track-record and operational experience may be allowed to hold the equity interests of a company operating VATS Business. However, our PRC legal adviser has advised that, no applicable PRC laws and regulations have provided clear guidance, and it remains uncertain as to the interpretation and enforcement of the amendment.

Based on the Interim Administrative Provisions for Sino-Foreign Equity Joint Venture Talent Intermediary Service Agencies (《中外合資人才中介機構管理暫行規定》) (the "**Old HR Interim Provisions**"), (i) the foreign investor who intends to engage in the talent intermediary services in the PRC, shall have engaged in talent intermediary services for three years or more and have a good reputation (the "**Qualification Requirement of HR License**"), (ii) such foreign investor shall set up a joint venture with the Chinese talent intermediary service agencies, and the Chinese talent intermediary service agencies shall hold a majority of the equity interests in the relevant joint venture.

On 31 December 2019, the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) promulgated the Interim Administrative Provisions for Foreign-invested Talent Intermediary Service Agencies (《外商投資人才中介機構管理暫行規定》) (the "**New HR Interim Provisions**"), which replaced the Old HR Interim Provisions. According to the New HR Interim Provisions, the Qualification Requirement of HR License has been cancelled, and the foreign shareholding percentage of companies that engage in the talent intermediary services in the PRC can be up to 100%.

With the assistance of our PRC legal advisor, the Company is in the process of consulting the Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局), being the competent authority as advised by our PRC legal advisor to confirm matters relating to the New HR Interim Provisions that are relevant to us. The Company will keep its shareholders informed of such matters and their impact (if any) on the Contractual Arrangements upon completion of the consultations as and when appropriate.

Efforts and Actions Undertaken to Comply with the Qualification Requirements

Despite the lack of clear guidance or interpretation on the Qualification Requirements, we have been gradually building up our track record of overseas VATS operations for the purposes of being qualified, as early as possible, to acquire the entire equity interests in Wisest, TD Elite and Liedao when the relevant PRC laws and authorities allow foreign investors to invest and hold (or to increase, as applicable) equity interests in enterprises which engage in VATS. We have taken the following measures to meet the Qualification Requirements:

- Liepin (HK) and TD Elite (HK) Management Consulting Co., Limited ("**TD Management HK**"), wholly-owned subsidiaries of our Company, have been incorporated in Hong Kong in June 2016 for the purposes of establishing and expanding our operations overseas;

- we have applied for, and are in the process of registering trademarks outside the PRC for the promotion of our Relevant Businesses overseas;

- we have obtained a domain name, careerplus.com, in April 2018 outside the PRC, and are in the process of constructing our overseas website, primarily for introducing our Relevant Businesses to overseas users;

- we have commenced feasibility studies on the further development of marketing to overseas markets and expanding our current businesses to overseas market;

- Liepin (HK) and TD Management HK have been incorporated in Hong Kong in June 2016, and we have set up a subsidiary in the United States of America in July 2016, for the purposes of establishing and expanding our talent intermediary service overseas; and

- we have established an executive team for overseas talent intermediary service and carried out certain marketing activities outside the PRC.

Subject to the discretion of the competent authority on whether the Group has fulfilled the Qualification Requirements, our PRC legal advisor is of the view that the above steps taken by us may be deemed by the relevant PRC government authorities to satisfy the Qualification Requirements as we have experience in providing VATS in overseas markets, which is in accordance with the applicable PRC laws and regulations.

Confirmation from the Independent Non-executive Directors

Our independent non-executive Directors have confirmed that the Contractual Arrangements for the year ended 31 December 2022 to which any member of the Group was a party were entered into by the Group:

a) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements and have been operated so that the revenue generated by the Consolidated Affiliated Entities has been substantially retained by Tongdao Liepin (Tianjin);

b) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

c) no new contracts were entered into, renewed or reproduced between our Group and each of the Consolidated Affiliated Entities during the Reporting Period; and

d) the Contractual Arrangements are entered into in the ordinary and usual course of business of the Group on normal commercial terms and are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of our Company and the shareholders of the Company as a whole.

Confirmations from the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the Auditor to conduct certain procedures in respect of the transactions carried out pursuant to the Contractual Arrangements of the Group for the year ended 31 December 2022, in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has confirmed in a letter to the Board that, with respect to the transactions carried out pursuant to the Contractual Arrangements during the year ended 31 December 2022:

a) nothing has come to their attention that causes the Auditor to believe that the Contractual Arrangements have not been approved by the Board;

b) nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Contractual Arrangements governing such transactions; and

c) with respect of the disclosed continuing connected transactions with Tongdao Liepin (Tianjin) Technology Group Co., Limited, Wisest (Beijing) Management Consulting Co., Ltd., Liedao Information Technology Co., Ltd. and TD Elite (Tianjin) Information Technology Co., Limited under the contractual arrangements, nothing has come to their attention that causes the Auditor to believe that dividends or other distributions have been made by each of the Consolidated Affiliated Entity to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at during the year ended 31 December 2022 and up to the date of this annual report.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no contract of significance was entered into between the Company or any of its subsidiary companies, and a controlling shareholder or any of its subsidiaries during the year ended 31 December 2022.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2022 and up to the date of this annual report between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Company shall indemnify out of the assets of the Company any Director against all losses or liabilities incurred or sustained by him as a Director of the Company in defending any proceeding, whether civil or criminal, in which judgment is given in his/her favour, or in which he is acquitted. The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group as of the date of this annual report.

STAFF, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at 31 December 2022, we had 5,165 employees (as at 31 December 2021: 5,789 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 formulated based on the performance of individual employees and are reviewed regularly.

As stipulated by the regulations of the PRC, the Group participates in a defined contribution retirement plan organized by municipal and provincial governments for its employees. No forfeited contribution under this scheme is available to reduce the contribution payable in future years. Further details of the Company's defined contribution retirement plan are set out in note 6 to the Consolidated Financial Statements.

Our Directors receive compensation in the form of Directors' fees, salaries, housing allowances and other allowances, benefits in kind, the employer's contribution to the pension schemes and discretionary bonuses. The basis of determining the emolument payable to our Directors include time commitment, responsibilities and employment conditions in comparable companies. The emolument of executive Directors and senior management of the Group is determined by the Remuneration Committee and the emolument of non-executive Directors is recommended by the Remuneration Committee. Details of the Directors' emoluments during the year are set out in note 9 to the Consolidated Financial Statements. No amount was paid to any Director or any of the five highest paid individual disclosed in note 9 to the Consolidated Financial Statements as an inducement to join or upon joining the Company or as a compensation for loss of office. In addition, there was no arrangement under which a Director waived or agreed to waive any remuneration.

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 executive, officers, managers or employees of our Group (including entities that the Group controls through a series of Contractual Arrangements which comprise of Wisest, TD Elite, and Liedao), or any entity 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 Director, directors of members of our Group, or any entity 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 target as the Board may then specify in the grant before any option 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 8.17% of the total issued share capital of the Company as at 31 December 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.

As at the date of 31 December 2022, options to subscribe for 3,142,085 shares of the Company, representing approximately 0.60% of the total issued share capital of the Company, were outstanding and 29,219,710 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 the Board 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 year ended 31 December 2022 are as follows:

		Number of Share Options								
Category of Participant	Date of grant	outstanding as of January 1, 2022	granted during the Reporting Period	exercised during the Reporting Period	lapsed during the Reporting Period	cancelled during the Reporting Period	outstanding as of December 31, 2022	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
Employees of the Group										
In Aggregate	January 2012 to June 2018	4,336,105	–	988,270	205,750	–	3,142,085	June 2018 to June 2028	USD0.0268 to USD2.50	HKD8.11
Total		4,336,105	–	988,270	205,750	–	3,142,085			

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) consider(s), 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 option(s) 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 31 December 2022, the remaining life of the Post-IPO Share Option Scheme is around 8 years.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme is 49,555,946 (being no more than 10% of the shares in issue on the Listing Date (the "**Option Scheme Mandate Limit**")), which represented approximately 9.43% of the issued shares of the Company as at the date of this annual report, (excluding any share 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 scheme of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit. The Post-IPO Share Option Scheme has no service provider sublimit under Chapter 17 of the Listing Rules.

The total number of shares that remain available for issue under the Post-IPO Share Option Scheme was 48,825,946 shares as at the date of this annual report, which represented approximately 9.29% of the issued shares of the Company. As at 1 January 2022 and 31 December 2022, the number of options available for grant under the Option Scheme Mandate Limit is 35,305,946 and 35,505,946 shares respectively, which represented approximately 6.74% and 6.77% of the total issued share capital of the Company as at 1 January 2022 and 31 December 2022. As at 31 December 2022, options to subscribe for 14,050,000 shares of the Company, representing 2.68% 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.

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/her 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 HKD1.00 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.

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

			Number of Share Options								
Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the share options were granted	outstanding as of January 1, 2022	granted during the Reporting Period	exercised during the Reporting Period	lapsed during the Reporting Period	cancelled during the Reporting Period	outstanding as of December 31, 2022	Exercise Period	Performance targets	Fair value of share options at the date of grant
Employees of the Group											
In Aggregate	6 September 2019	HKD18.52	1,850,000	–	–	500,000	–	1,350,000	6 September 2020 to 5 September 2029	*Notes 1 and 2*	HKD7.69
	20 November 2019	HKD19.22	850,000	–	–	50,000	–	800,000	20 November 2020 to 19 November 2029	*Notes 1 and 2*	HKD7.63
	31 March 2020	HKD15.34	350,000	–	–	–	–	350,000	31 March 2021 to 30 March 2030	*Notes 1 and 2*	HKD7.45
	3 July 2020	HKD16.88	500,000	–	–	–	–	500,000	3 July 2021 to 2 July 2030	*Notes 1 and 2*	HKD8.42
	17 July 2020	HKD16.10	1,600,000	–	–	200,000	–	1,400,000	17 July 2021 to 16 July 2030	*Notes 1 and 2*	HKD7.97
	23 March 2021	HKD20.00	1,100,000	–	–	–	–	1,100,000	23 March 2022 to 22 March 2031	*Notes 1 and 2*	HKD9.65
	12 October 2021	HKD12.00	8,000,000	–	–	200,000	–	7,800,000	12 October 2022 to 11 October 2031	*Notes 1 and 2*	HKD5.36
	10 January 2022	HKD16.82	–	600,000	–	100,000	–	500,000	10 January 2023 to 9 January 2032	*Notes 3*	HKD8.23
	1 April 2022	HKD17.66	–	400,000	–	400,000	–	–	1 April 2023 to 31 March 2032	*Notes 3*	HKD8.01
	4 July 2022	HKD9.88	–	200,000	–	–	–	200,000	4 July 2023 to 3 July 2032	*Notes 3*	HKD4.64
	13 October 2022	HKD7.43	–	50,000	–	–	–	50,000	13 October 2023 to 12 October 2032	*Notes 3*	HKD3.36
Total			14,250,000	1,250,000	–	1,450,000	–	14,050,000			

Notes:

1. The share options granted are subject to the individual performance review as set out in the respective grant documents.

2. The share options granted are subject to certain milestones or performance targets relating to the Group.

3. The share options granted are not subject to specific performance targets.

4. The fair value of share options at the respective date of grant was calculated in accordance with the accounting standards and policies adopted for preparing its financial statements determined based on the market price of the Company's shares at the respective grant date. Please refer to note 26 to the Consolidated Financial Statements on page 151 for details of basis of the fair value of share options at the date of grant.

5. No share options were granted to our Directors during the Reporting Period.

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 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 vesting 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. As at 31 December 2022, the remaining life of the RSU Scheme is around 8 years.

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.

The number of RSUs available for grant under the RSU Scheme as of 1 January 2022 and 31 December 2022 was 28,868,502 and 28,055,742, representing approximately 5.51% and approximately 5.35% of the total number of shares in issue as of 1 January 2022 and 31 December 2022, respectively. As at the date of this annual report, 27,458,146 shares underlying the RSUs are available for issue under the RSU Scheme, representing approximately 5.23% of the total number of shares in issue as at the date of this annual report.

Save as prescribed in the RSU Scheme or as otherwise restricted by the Listing Rules, for any 12-month period, the aggregate number of Shares granted to any eligible person shall not exceed 1% of the total number of the issued shares at the relevant time, without shareholders' approval.

The RSU Scheme has no service provider sublimit under Chapter 17 of the Listing Rules.

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. No consideration is payable on application or acceptance of the RSUs granted under the RSU Scheme. No purchase price is involved as there is no mechanism for exercise of RSUs.

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.

Details of movements in the RSUs granted under the RSU Scheme during the year ended 31 December 2022 are as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the RSUs were granted	Number of shares underlying RSUs: outstanding as of January 1, 2022	granted during the Reporting Period (Note 3)	vested during the Reporting Period	lapsed during the Reporting Period	cancelled during the Reporting Period (Note 4)	outstanding as of December 31, 2022	Vesting Period	Performance targets	Fair value of RSUs at the date of grant
Five highest-paid individuals											
In Aggregate	1 January 2020	HKD15.30	150,000	—	50,000	—	—	100,000	4 years	*Notes 1 and 2*	HKD15.34
	9 October 2020	HKD19.52	75,000	—	25,000	—	—	50,000	4 years	*Notes 1 and 2*	HKD19.50
	29 January 2021	HKD19.36	400,000	—	100,000	—	—	300,000	4 years	*Notes 1 and 2*	HKD18.98
	30 April 2021	HKD25.85	400,000	—	100,000	—	—	300,000	4 years	*Notes 1 and 2*	HKD26.05
Other employee participants											
In Aggregate	25 January 2019	HKD24.30	25,876	—	10,888	5,365	—	9,623	4 years	*Notes 1 and 2*	HKD25.05
	4 April 2019	HKD19.96	291,922	—	136,211	17,625	—	138,086	4 years	*Notes 1 and 2*	HKD19.74
	17 July 2019	HKD20.15	140,000	—	37,500	65,000	—	37,500	4 years	*Notes 1 and 2*	HKD20.40
	1 October 2019	HKD18.54	927,500	—	365,625	154,375	—	407,500	4 years	*Notes 1 and 2*	HKD18.46
	1 January 2020	HKD15.30	187,500	—	62,500	—	—	125,000	4 years	*Notes 1 and 2*	HKD15.34
	13 January 2020	HKD14.26	165,000	—	53,125	21,875	—	90,000	4 years	*Notes 1 and 2*	HKD15.36
	1 July 2020	HKD17.18	135,000	—	45,000	—	—	90,000	4 years	*Notes 1 and 2*	HKD16.88
	9 October 2020	HKD19.52	58,125	—	19,375	—	—	38,750	4 years	*Notes 1 and 2*	HKD19.50
	12 October 2020	HKD19.50	300,000	—	100,000	—	—	200,000	4 years	*Notes 1 and 2*	HKD19.56
	29 January 2021	HKD19.36	295,000	—	73,750	45,000	—	176,250	4 years	*Notes 1 and 2*	HKD18.98
	30 April 2021	HKD25.85	2,095,000	—	498,750	205,000	—	1,391,250	4 years	*Notes 1 and 2*	HKD26.05
	31 July 2021	HKD14.36	175,000	—	36,250	45,000	—	93,750	4 years	*Note 3*	HKD14.36
	31 October 2021	HKD11.24	120,000	—	30,000	—	—	90,000	4 years	*Note 3*	HKD11.24
	10 January 2022	HKD16.82	—	676,000	—	120,000	—	556,000	4 years or 2 years	*(i) Note 1, (ii) Notes 1 and 2, or (iii) Note 3*	HKD17.78
	16 February 2022	HKD19.60	—	6,000	6,000	—	—	—	less than 1 year	*Note 1*	HKD19.60
	30 April 2022	HKD14.54	—	1,230,000	—	530,000	—	700,000	4 years or 1 year	*(i) Notes 1 and 2, or (ii) Note 3*	HKD14.54
	15 July 2022	HKD9.75	—	290,000	—	140,000	—	150,000	4 years	*(i) Notes 1 and 2, or (ii) Note 3*	HKD9.64
	31 October 2022	HKD6.73	—	200,000	—	40,000	—	160,000	4 years	*Note 3*	HKD6.84
Total			5,940,923	2,402,000	1,749,974	1,389,240	—	5,203,709			

Notes:

1. The vesting of the RSUs granted are subject to the individual performance review as set out in the respective grant documents.

2. The vesting of the RSUs granted are subject to certain milestones or performance targets relating to the Group.

3. The RSUs granted are not subject to specific performance targets.

4. The RSUs granted during the Reporting Period had no purchase price. Each of the RSUs were granted for nil consideration.

5. The weighted average closing price of the shares immediately before the dates on which the RSUs were vested in 2022 was HKD13.06 per share.

6. The fair value of RSUs at the respective date of grant was calculated in accordance with the accounting standards and policies adopted for preparing its financial statements based on the market price of the Company's shares at the respective grant date. Please refer to note 26 to the Consolidated Financial Statements on page 152 for details of basis of the fair value of RSUs at the date of grant.

7. No RSUs were granted to our Directors during the Reporting Period.

During the Reporting Period, none of the grantees under the RSU Scheme is a Director, chief executive or substantial shareholder (as defined under the Listing Rules) of the Company, or an associate (as defined under the Listing Rules) of any of them, and no grant was made under the RSU Scheme which requires review by the Remuneration Committee for the year ended 31 December 2022.

The total number of shares that may be issued in respect of options and RSUs granted under all schemes of the Company during the year ended 31 December 2022 divided by the weighted average number of shares of the Company for the year ended 31 December 2022 is 0.25%.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 December 2022.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers are predominantly business users, from whom we derive substantially all our revenue. Our suppliers primarily include (i) advertising service providers, (ii) headhunters and other talent service providers, and (iii) server hosting and bandwidth providers. We have a broad base of suppliers and business customers, and we do not have any supplier or customer concentration risks.

For the year ended 31 December 2022, the respective percentage of purchases attributable to the Group's five largest suppliers in aggregate and the respective percentage of the total sales attributable to the Group's five largest customers in aggregate were less than 30% respectively.

None of our Directors or any of their close associates or any shareholder (who or which, to the best knowledge of our Directors, owned more than 5% of the Company's issued share capital) had any interest in any of our five largest suppliers or customers.

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 listed securities during the year ended 31 December 2022.

COMPLIANCE WITH THE CG CODE

The Company has adopted the principles and code provisions as set out in the CG Code 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 year ended 31 December 2022, save for the deviation from code provision C.2.1 as disclosed below.

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 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 six 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.

AUDITOR

The Consolidated Financial Statements of the Group for the year ended 31 December 2022 have been audited by KPMG. There were no change in the auditors of the Company in the preceding three years.

KPMG shall retire and being eligible, offer itself for re-appointment, and a resolution to this effect shall be proposed at the AGM.

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

PRC, 31 March 2023

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 December 2022.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, potential investors and business partners, and to enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code contained in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

In the opinion of the Directors, throughout the year ended 31 December 2022, the Company has complied with all the code provisions as set out in the CG Code, except for code provision C.2.1 of the CG Code which provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual, details of which are set out on page 73 under the section headed "Board of Directors" of this Corporate Governance Report.

The Board will continuously review and adjust, if necessary, its business strategies and keep track of the changing market development and conditions and ensuring the prompt and proactive measures will be taken to respond to the changes and meet the market needs to facilitate the sustainability of the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to 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 throughout the year ended 31 December 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.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and makes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from each Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing such responsibilities.

Board Composition

The Board currently comprises six Directors, consisting of two executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

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

Non-executive Director

Mr. Shao Yibo

Independent Non-executive Directors

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

The biographical information of the Directors are set out in the section headed "Biographies of Directors and Senior Management — Directors" on pages 34 to 36 of this annual report.

Save as disclosed in this annual report, to the best knowledge of the Company, there has been no financial, business, family, or other material/relevant relationships among members of the Board.

Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer of the Company are held by Mr. Dai Kebin who is the principal founder of the Company.

The 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 the Board requires approval by at least a majority of Directors and that the Board comprises three independent non-executive Directors out of six Directors, and the Board believes there is sufficient check and balance in the Board; (ii) Mr. Dai Kebin and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. Finally, as Mr. Dai Kebin is the principal founder of the Group, the 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 the Group and enables more effective and efficient overall strategic planning for and communication within the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman and Chief Executive Officer is necessary.

Independent Non-executive Directors

During the year ended 31 December 2022, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing at least one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. According to such confirmations, the Company considers that all the independent non-executive Directors are independent.

Board Independence Evaluation

The Company has established mechanism to ensure independent views and input are available to the Board, channels are in place through formal and informal means whereby independent non-executive Directors can express their independent views in an open and candid manner and exercise judgement to better safeguard shareholders' interests as well as in a confidential manner, should circumstances required; these include dedicated meeting sessions with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The mechanism to ensure independent views and input are available to the Board is reviewed annually.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company under which they agreed to act as executive Directors for a term of three years commencing from the Listing Date, and was renewed for a further 3 years commencing from 29 June 2021, which may be terminated by not less than three months' notice in writing served by either the executive Director or the Company. Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for a term of one year with effect from the Listing Date and was subsequently renewed every year. The appointments of Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Under the Articles of Association, at every AGM of the Company, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to, but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Articles of Association also provide that all Directors appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for promoting its success by directing and supervising the Company's affairs. All Directors should make decisions objectively in the best interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors should disclose to the Company details of other offices held by them in public companies or organisations and other significant commitments. The Board should regularly review the contribution required from each Director to perform his/her responsibilities to the Company, and whether he/she is spending sufficient time performing such responsibilities.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Pursuant to code provision C.1.1 of the CG Code, newly appointed directors of an issuer should receive a comprehensive, formal and tailored induction on appointment. Subsequently, they should receive any briefing and professional development necessary to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2022, the Company organized training sessions conducted by the qualified professionals for all Directors. The training sessions covered a wide range of relevant topics including directors' duties and responsibilities, continuing connected transactions, disclosure of interests and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors for the year ended 31 December 2022 are summarized as follows:

Directors	Type of Training (Note)
Executive Directors	
Mr. Dai Kebin	A&B
Mr. Chen Xingmao	A&B
Non-executive Directors	
Mr. Shao Yibo	A&B
Mr. Zuo Lingye (resigned on 15 September 2022)	A&B
Mr. Ding Gordon Yi (resigned on 17 June 2022)	B
Independent Non-executive Directors	
Mr. Ye Yaming	A
Mr. Zhang Ximeng	A
Mr. Choi Onward	A&B

Note:

Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and publications

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Hong Kong Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" on pages 6 to 7 of this annual report.

Audit Committee

The Audit Committee consists of three members, including three independent non-executive Directors, namely Mr. Zhang Ximeng, Mr. Ye Yaming and Mr. Choi Onward. Mr. Choi Onward is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has considered and reviewed the consolidated results for the year ended 31 December 2022 of the Group and the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2022 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

During the year ended 31 December 2022, the Audit Committee held four meetings to review the quarterly financial data, and the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors, engagement of non-audit services and relevant scope of works, connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors once without the presence of the executive Directors.

Remuneration Committee

The Remuneration Committee consists of three members, including three independent non-executive Directors, namely Mr. Zhang Ximeng, Mr. Ye Yaming and Mr. Choi Onward. Mr. Zhang Ximeng is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management; reviewing and approving management's remuneration proposals with reference to the goals and objectives of the Board; making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration; establishing a formal and transparent procedure for developing remuneration policy to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2022, the Remuneration Committee held one meeting to review the remuneration policy and the remuneration packages of the executive Directors and senior management. The Company believes that such remuneration policy and the remuneration packages of the executive Director and senior management are appropriate for 2022.

Further details of the emoluments payable to the Directors and the five highest paid individuals for the year ended 31 December 2022 are set out in note 9 to the Consolidated Financial Statements in this annual report.

Nomination Committee

The Nomination Committee consists of three members, including one executive Director namely Mr. Dai Kebin, and two independent non-executive Directors, namely Mr. Ye Yaming and Mr. Zhang Ximeng. Mr. Dai Kebin is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) required of the Board annually and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the Chief Executive, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy (the "**Board Diversity Policy**"). The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's director nomination policy (the "**Director Nomination Policy**") that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the year ended 31 December 2022, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider and recommend to the Board on the appointment of Directors. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and regional and industry experience.

The Company currently has a single gender Board. Nonetheless, the Company targets to appoint a female director by no later than 31 December 2024. We will implement policy to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board.

As of 31 December 2022, we had 5,165 full-time employees, of which 2,164 were male and 3,001 were female. The gender ratio in the workforce (including senior management) was approximately 1 males to 1.39 females. The Company will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness. The Company is not aware of any mitigating factor or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Nomination Committee will review the Board Diversity Policy, from time to time and as appropriate, to ensure its effectiveness.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Reputation for integrity
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in the code provision A.2.1 of the CG Code.

During the year ended 31 December 2022, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

Code provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals involving active participation, either in person or through electronic means of communication, of a majority of Directors entitled to be present.

Code provision C.2.7 of the CG Code has been revised to require that the chairman should at least annually hold meetings with independent non-executive Directors without the presence of other directors.

A summary of the attendance record of each Director at the Board meetings, Board Committee meetings and general meeting of the Company held during the year ended 31 December 2022 is set out in the table below:

	Attendance/Number of Meetings					
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting (Note 1)	Meeting between Chairman and independent non-executive Directors
Executive Directors						
Mr. Dai Kebin	4/4	—	—	1/1	1/1	1/1
Mr. Chen Xingmao	4/4	—	—	—	1/1	—
Non-executive Directors						
Mr. Shao Yibo	4/4	—	—	—	1/1	—
Mr. Zuo Lingye (resigned on 15 September 2022)	3/3	4/4	—	—	1/1	—
Mr. Ding Gordon Yi (resigned on 17 June 2022)	2/2	—	1/1	—	1/1	—
Independent Non-executive Directors						
Mr. Ye Yaming	4/4	4/4	—	1/1	1/1	1/1
Mr. Zhang Ximeng	4/4	—	1/1	1/1	1/1	1/1
Mr. Choi Onward	4/4	4/4	1/1	—	1/1	1/1

The Directors have attended the meetings via video or telephone conference, or in person.

Note:

(1) The annual general meeting of the Company was held on 12 May 2022.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems.

The Company has adopted and implemented comprehensive risk management policies in various aspects of its business operations such as information system, data security, privacy, investment and counterpart, with the following principles, features and processes:

Information System Risk Management

Sufficient maintenance, storage and protection of user data and other related information is critical to the Company's success. The Company has implemented relevant internal procedures and controls to ensure that user data is protected and that leakage and loss of such data is avoided.

The Company's IT operation and maintenance department is responsible for ensuring that the usage, maintenance and protection of user data are in compliance with the internal rules and the applicable laws and regulations. The Company also provides regular trainings to the information technology team.

Data Security Risk Management

The Company believes data security is critical to the business operation because data are the foundation of the Company's competitive edge. The Company protects user and internal data in accordance with technical measures and internal data protection policies. Moreover, all of the Company's data are backed up on a daily basis by different servers located in our Beijing and Tianjin data centers, and the Company has a sophisticated set of security and remediation protocols to follow in the case of a data security emergency.

From an internal policy perspective, the Company strictly limits the number of personnel who can access the servers that store user and internal data, and only grant such access on a "need-to-know" basis. The Company has also adopted internal policies on data theft prevention, mitigation measures against data loss and data security crisis management, and have regularly organized training sessions to get employees familiar with these policies and related best practices. In addition, the Company conducts reviews on compliance by members of the staff with data security and risk management policies on a regular basis as well. Lastly, to cope with any possible data leakage incident, the Company deploys a data security crisis management team that is well trained to spot, isolate and dissolve the situation or to mitigate any damage resulting from such incident.

Privacy Risk Management

The Company values users' privacy and adopts strict policy and strong product features to ensure with privacy protection in accordance with applicable laws. When every individual user, business user and headhunter registers with the Company's platform, they are required to review and agree to the terms and conditions. Following regulatory requirements of legal, proper and necessary use, the Company clearly lists out in the user agreement the situations that the Company will use personal information from individual users, business users and headhunters. The Company undertakes to obtain users' consents prior to any use that is not specifically provided for in the terms and conditions.

The Company develops products with user-friendly options for individual users to manage the scope of publicity of certain information. The guiding principle in privacy protection is to ensure that the users give explicit consent to any access to, or use or disclosure of, their personal data by any third party. The Company's data security team will also handle any data privacy breach incident in the same way that it handles any other type of data security incidents.

Investment Risk Management

The Company's investment strategy is to invest in or acquire businesses that are complementary to its business, such as businesses that can expand the content creation, sourcing, distribution and adaptation capabilities and strengthen our technological capabilities. The Company sets up an annual investment plan in line with the business strategies with inputs from various business departments. An investment budget is set up based on the overall financial conditions every year.

The Company generally intends to hold investments for the long term. The investments are generally made in the form of preferred shares (in the case of companies incorporated outside China) or ordinary shares with preference rights (in the case of companies established in China). In order to manage the potential risks associated with investments, the Company generally requests its investee companies to grant customary investor rights, including governance rights and transfer rights.

The Company's senior management including the founder and chief executive officer, Mr. Dai Kebin, is responsible for investment project sourcing and execution. Once target companies are identified, the Company will conduct legal, business, financial and operational due diligence on the target companies, and draft investment agreements based on the agreed term sheets. Any proposed investment will be submitted to the Board for approval if the investment amount involved exceeds the threshold determined by the Board.

Counterparty Risk Management

To reduce counterparty risk from the Company's business customers, the Company intentionally avoids concentration of big customers and has a robust onboarding procedures involving business license verifications, phone call and selective on-site visit with register business users and headhunters. In addition, the Company only extends credit to selected business customers with strong financial capabilities to minimize the risk of contractual default.

All divisions conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division.

The management, in co-ordination with division heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2022.

The Company has engaged external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls with no material issues identified.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2022, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, internal audit function, adequacy of resources, staff qualifications and experiences, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

Arrangements are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2022.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 89 to 93 in this annual report.

AUDITOR'S REMUNERATION

The Company appointed Messrs. KPMG as the external auditor for the year ended 31 December 2022. During the year ended 31 December 2022, the remuneration paid to Messrs. KPMG in respect of audit services and non-audit services is set out below:

Service Category	Fees Paid *RMB'000*
Audit Services	5,650
Non-audit Services	552
	6,202

During the year ended 31 December 2022, Messrs. KPMG also provided non-audit services to the Company. The scope of work of such non-audit services was tax advisory and financial due diligence services with a focus on various main risk areas. The remuneration paid to Messrs. KPMG for the non-audit services amounted to approximately 8.90% of the total remuneration paid to Messrs. KPMG and was not significant as part of the auditor's remuneration.

COMPANY SECRETARY

Ms. Fung Wai Sum of Tricor Services Limited, an external service provider, has been appointed as the company secretary of the Company. Ms. Fung is a senior manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Mr. Tian Ge, the Chief Financial Officer of the Company, is the primary corporate contact person of the company secretary of the Company, Ms. Fung.

For the year ended 31 December 2022, Ms. Fung has undertaken not less than 15 hours of relevant professional training to update her knowledge and skills in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels.

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association or the Companies Act of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as a Director.

Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

For proposal of a person for election as Director, pursuant to Article 16.4 of the Articles of Association, no person shall, unless proposed by the Board pursuant to the recommendation of the Nomination Committee, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the company secretary of the Company notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected, and such person has been approved by the Nomination Committee and the Board.

Putting Forward Enquiries to the Board

For putting forward any enquiry to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders and investors may send their enquiries or requests as mentioned above to the following:

Address: Unit 417, 4th Floor, Lippo Centre, Tower 2, No. 89 Queensway, Admiralty, Hong Kong (For the attention of the Board of Directors)

Email: ir@liepin.com

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business, performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through AGMs and other general meetings. At the AGMs, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

Policies relating to Shareholders

Communication Policy

The Company has in place a shareholders' communication policy (the "**Communication Policy**") to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. For example, shareholders and the investors may at any time contact either the Company's investor relations department or the Company secretary to enquire about the information published by the Company. Information uploaded by the Company to the HKEx News Website is also posted on the Company's website thereafter in a timely manner as required by the Listing Rules. Such information includes announcements, circulars and notices of general meetings and other documents. Shareholders are encouraged to participate in general meetings (including annual general meetings) and to attend shareholders' activities organized by the Company, where information about the Company, including its latest strategic plan, products and services, etc. will be communicated. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate) will be available to meet shareholders and answer their enquiries. These channels allow us to receive feedback from our shareholders and the investors.

The implementation and effectiveness of the Communication Policy has been reviewed by the Board during the year ended 31 December 2022 and considered that it is adequate and effective, having considered the communication channels in place provided shareholders and investment community with information about the latest development of the Group in a timely manner, and the Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders to allow the Company to receive feedback effectively.

Dividend Policy

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors, among others, financial results, cash flow situation, business conditions and strategies and future operations and earnings, as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

As at December 31, 2022, no arrangement was reached pursuant to which the shareholders of the Company waived or agreed to waive their dividends.

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2022, there was no amendment to the Company's Memorandum and Articles of Association. The Memorandum and Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

On 31 March 2023, the Company announced the proposed amendments to the third amended and restated memorandum and articles of association and the adoption of the fourth amended and restated memorandum and articles of association, which are subject to approval by shareholders of the Company by way of special resolution at the forthcoming AGM of the Company. For further details, please refer to the Company's announcement dated 31 March 2023.

KPMG

Independent auditor's report to the shareholders of
Tongdao Liepin Group
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tongdao Liepin Group ("the Company") and its subsidiaries ("the Group") set out on pages 94 to 170, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of subscription-based model service revenue

Refer to note 4 to the consolidated financial statements and the accounting policies in note 2(v).

The Key Audit Matter

The Group generates approximately half of its revenue from providing a variety of talent acquisition services to its business customers under the subscription-based model.

Under subscription-based model, the Group provides to the business customers a customised package of service, mainly including online job posting, candidates recommendation, contacting candidates, intent communications with job candidates, invitations to apply for jobs, top display of job postings, etc. The Group normally receives all of the subscription fee upfront. The subscription fee is non-refundable.

Each service is a performance obligation. At contract inception, the transaction price is allocated to each performance obligation on the basis of relative stand-alone selling price. The stand-alone selling prices are determined by observable price of a service when the Group sells that service separately in similar circumstances and to similar customers.

Transaction price allocation involves management judgement. The Group maintains information technology ("IT") systems to track the allocation and recognition of service revenue.

We identified the recognition of subscription-based model service revenue as a key audit matter because each contract may have different service components and terms and conditions which increases the risk of error and because revenue is one of the key performance indicators of the Group and could be subject to manipulation to meet targets or expectation.

How the matter was addressed in our audit

Our audit procedures to assess the recognition of subscription-based model service revenue included the following:

- inspecting the key terms and conditions of contracts with customers, on a sample basis, to assess if there were any terms and conditions that may affect the revenue recognition;
- obtaining an understanding of and assessing, with the assistance of our internal IT specialists, the design, implementation and operating effectiveness of the Group's general IT controls and key application controls over the Group's IT system which govern revenue recognition, including the interfaces between different systems, and key manual internal controls over revenue recognition;
- comparing, on a sample basis, the transaction prices of the contracts with customers, stand-alone selling prices for each performance obligation and services provided captured in the IT system with the underlying signed contracts, the observable prices of the service when the Group sells that service in similar circumstances and to similar customers and service consumption records; and
- Inspecting underlying documentation for journal entries which met specified risk-based criteria.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yu Wai Sum.

KPMG
Certified Public Accountants

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

31 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022
(Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000
Revenue	4	**2,637,921**	2,651,468
Cost of revenue		**(590,828)**	(584,336)
Gross profit		**2,047,093**	2,067,132
Other income	5	**89,533**	80,102
Sales and marketing expenses		**(1,306,072)**	(1,224,534)
General and administrative expenses		**(344,935)**	(355,044)
Research and development expenses		**(400,283)**	(336,950)
Profit from operations		**85,336**	230,706
Net finance income/(cost)	7	**21,998**	(17,297)
Share of results of associates	16	**343**	1,154
Profit before taxation	6	**107,677**	214,563
Income tax	8	**(18,090)**	(23,134)
Profit for the year		**89,587**	191,429
Attributable to:			
— Equity shareholders of the Company		**44,367**	134,425
— Non-controlling interests		**45,220**	57,004
Profit for the year		**89,587**	191,429
Earnings per share	11		
Basic (RMB Cent)		**8.84**	26.33
Diluted (RMB Cent)		**8.80**	26.07

The notes on pages 102 to 170 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022
(Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000
Profit for the year		**89,587**	191,429
Other comprehensive income for the year (after tax and reclassification adjustments)	10		
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas group entities		**133,301**	(39,907)
Other comprehensive income for the year		**133,301**	(39,907)
Total comprehensive income for the year		**222,888**	151,522
Attributable to:			
Equity shareholders of the Company		**177,668**	94,518
Non-controlling interests		**45,220**	57,004
Total comprehensive income for the year		**222,888**	151,522

The notes on pages 102 to 170 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	Note	**31 December 2022 RMB'000**	31 December 2021 RMB'000
Non-current assets			
Property, plant and equipment	12	**233,116**	205,757
Investment properties	12	**23,945**	24,975
Intangible assets	13	**125,427**	177,083
Goodwill	14	**855,651**	855,651
Prepayments for investments		**—**	2,500
Interests in associate	16	**9,009**	8,815
Other financial assets	17	**195,479**	178,699
Deferred tax assets	27	**17,577**	20,858
Other non-current assets		**12,205**	5,005
Time deposits with banks	22	**233,287**	1,678,722
		1,705,696	3,158,065
Current assets			
Trade receivables	19	**160,730**	93,539
Prepayments and other receivables	20	**110,583**	147,945
Receivables from related parties	30(b)	**2,237**	7,008
Other current assets	21	**801,351**	876,107
Time deposits with banks	22	**1,667,132**	107,482
Cash and cash equivalents	23	**476,481**	495,778
		3,218,514	1,727,859
Current liabilities			
Trade and other payables	24	**542,658**	495,541
Contract liabilities	18	**829,204**	988,618
Interest-bearing borrowings		**8,710**	—
Lease liabilities	25	**64,682**	66,718
Current taxation	27	**9,173**	33,030
		1,454,427	1,583,907

(Expressed in RMB)

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
Net current assets		**1,764,087**	143,952
Total assets less current liabilities		**3,469,783**	3,302,017
Non-current liabilities			
Lease liabilities	25	**104,773**	80,210
Deferred tax liabilities	27	**18,848**	26,376
		123,621	106,586
NET ASSETS		**3,346,162**	3,195,431
CAPITAL AND RESERVES			
Share capital	28(d)	**342**	341
Reserves		**3,074,098**	2,982,223
Total equity attributable to equity shareholders of the Company		**3,074,440**	2,982,564
Non-controlling interests		**271,722**	212,867
TOTAL EQUITY		**3,346,162**	3,195,431

Approved and authorised for issue by the board of directors on 31 March 2023 and signed on it behalf by:

Dai Kebin
Director

Tian Ge
Chief Financial Officer

The notes on pages 102 to 170 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022
(Expressed in RMB)

		Attributable to equity shareholders/owners 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
Balance at 1 January 2022		341	2,810,188	(224,616)	86,685	(11,773)	321,739	2,982,564	212,867	3,195,431
Changes in equity for 2022:										
Profit for the year		–	–	–	–	–	44,367	44,367	45,220	89,587
Other comprehensive income	10(a)	–	–	–	–	133,301	–	133,301	–	133,301
Total comprehensive income		–	–	–	–	133,301	44,367	177,668	45,220	222,888
Shares held for the RSU scheme of the Company	28(c)	–	–	(148,974)	–	–	–	(148,974)	–	(148,974)
Vesting of shares under RSU scheme	26(b)	–	10,153	21,119	(31,272)	–	–	–	–	–
Shares issued under share option scheme	26/28(d)(i)	1	16,368	–	(14,065)	–	–	2,304	–	2,304
Capital injection from non-controlling owners		–	–	–	(2,802)	–	–	(2,802)	2,954	152
Purchase of non-controlling interests		–	–	–	(4,485)	–	–	(4,485)	4,672	187
Dividend paid to non-controlling owners		–	–	–	–	–	–	–	(21,948)	(21,948)
Disposal of subsidiaries		–	–	–	–	–	–	–	(190)	(190)
Share-based compensation expenses	6(a)/26	–	–	–	68,165	–	–	68,165	28,147	96,312
Balance at 31 December 2022		342	2,836,709	(352,471)	102,226	121,528	366,106	3,074,440	271,722	3,346,162

		Attributable to equity shareholders/owners 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
Balance at 1 January 2021		340	2,767,035	(184,071)	75,809	28,134	187,314	2,874,561	168,023	3,042,584
Changes in equity for 2021:										
Profit for the year		—	—	—	—	—	134,425	134,425	57,004	191,429
Other comprehensive income	10(a)	—	—	—	—	(39,907)	—	(39,907)	—	(39,907)
Total comprehensive income		—	—	—	—	(39,907)	134,425	94,518	57,004	151,522
Shares held for the RSU scheme of the Company	28(c)	—	—	(82,644)	—	—	—	(82,644)	—	(82,644)
Vesting of shares under RSU scheme	26(b)	—	2,662	42,099	(44,761)	—	—	—	—	—
Shares issued under share option scheme	26/28(d)(i)	1	40,491	—	(31,042)	—	—	9,450	—	9,450
Capital injection from non-controlling owners		—	—	—	—	—	—	—	1,945	1,945
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		—	—	—	—	—	—	—	(13,137)	(13,137)
Share-based compensation expenses	6(a)/26	—	—	—	93,383	—	—	93,383	—	93,383
Balance at 31 December 2021		341	2,810,188	(224,616)	86,685	(11,773)	321,739	2,982,564	212,867	3,195,431

The notes on pages 102 to 170 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022
(Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000
Operating activities			
Profit before taxation		**107,677**	214,563
Adjustments for:			
Expected credit losses on trade receivables and other receivables	6(b)	**13,277**	14,795
Depreciation of property, plant and equipment and investment property	12	**23,676**	23,256
Depreciation of right-of-use assets	12	**68,492**	61,462
Amortisation of intangible assets	13	**51,682**	53,329
(Gains)/losses on disposal of property, plant and equipment		**(264)**	348
Finance (income)/cost excluding bank charges	7	**(23,535)**	14,416
Investment income from wealth management products	5	**(25,130)**	(12,946)
Dividend income	5	**(16,327)**	(6,714)
Share of results of associates	16	**(343)**	(1,154)
Change of financial assets at fair value through profit or loss	5	**43,145**	2,954
Share-based compensation expenses	6(a)/26	**96,312**	93,383
Changes in working capital:			
Increase in trade receivables		**(82,485)**	(13,011)
Decrease/(increase) in prepayments and other receivables and other current assets		**35,774**	(29,890)
(Decrease)/increase in contract liabilities		**(159,414)**	138,423
Increase in trade and other payables		**56,759**	182,536
Cash generated from operations		**189,296**	735,750
Income tax paid	27(a)	**(46,194)**	(38,431)
Net cash generated from operating activities		**143,102**	697,319

For the year ended 31 December 2022
(Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000
Investing activities			
Proceeds from sale of property, plant and equipment		583	99
Investment income from wealth management products received		27,418	8,881
Proceeds from maturity of wealth management products		826,000	309,622
Proceeds from maturity of time deposits with banks		1,841,929	1,998,005
Dividend received		16,477	7,014
Loan to related parties	30(b)	—	3,858
Payment for the purchase of property, plant and equipment and intangible assets		(24,811)	(35,568)
Payment for the purchase of wealth management products		(754,938)	(826,000)
Payment for the purchase of equity securities (including investment in associate)		(54,000)	(27,000)
Payment for business acquisitions net of cash acquired		(10,050)	(56,637)
Placement of time deposits with banks		(1,807,932)	(1,933,480)
Net cash generated from/(used in) investing activities		60,676	(551,206)
Financing activities			
Capital injection from non-controlling owners		152	1,945
Proceeds from share issued under share option scheme	28(d)	2,304	5,505
Capital withdrew by non-controlling owners		—	(147)
Proceeds from interest-bearing borrowings	23(b)	60,303	3,005
Payment for the purchase of non-controlling interests		(176)	(7,525)
Shares held for RSU scheme	28(c)	(135,830)	(86,074)
Repayment from interest-bearing borrowings	23(b)	(51,598)	(3,000)
Interest paid	23(b)	(1,808)	(62)
Interest element of lease rentals paid	23(b)	(6,602)	(6,882)
Capital element of lease rentals paid	23(b)	(71,279)	(60,004)
Dividend paid to non-controlling owners		(21,948)	(13,137)
Net cash used in financing activities		(226,482)	(166,376)
Net decrease in cash and cash equivalents		(22,704)	(20,263)
Cash and cash equivalents at the beginning of the year	23(a)	495,778	516,944
Effect of foreign exchange rate changes		3,407	(903)
Cash and cash equivalents at the end of the year	23(a)	476,481	495,778

The notes on pages 102 to 170 form part of these financial statements.

1 PRINCIPAL ACTIVITIES AND ORGANISATION

Tongdao Liepin Group (the "**Company**") was established in the Cayman Islands on 30 January 2018 as an exempted company with limited liability under the Companies Law (2013 Revision) (as consolidated and revised) of the Cayman Islands.

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

On 29 June 2018, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKSE**").

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IAS**") and interpretations issued by the International Accounting Standards Board (the "**IASB**") and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except financial assets measured at fair value which are stated at their fair value as explained in the accounting policies set out below:

— investments in debt and equity securities (see note 2(h));

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) 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 above amendments to IFRSs effective for the financial year beginning on 1 January 2022 do not have a material impact on the Group.

(d) Functional and presentation currency

Items included in the financial statements of each of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is United States Dollars ("**USD**"). The Company's subsidiaries were incorporated in the PRC and these subsidiaries considered Renminbi ("**RMB**") as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and non-controlling interests (Continued)

Business combinations (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Group. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Group's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Associates and joint ventures

An associate is an entity in which the Group or company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2 (m)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(m)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below:

Investments are recognised on the date the Group commits to purchase the investments or they expire. Investments in debt and equity securities are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 29(d). These investments are subsequently accounted for as follows, depending on their classification.

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investment properties

Investment properties are buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. The Group determines whether a property qualifies as an investment property on the condition that if a property held to earn rentals or for capital appreciation or both.

(i) Recognition and measurement

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses (see note 2(m)(ii)).

(ii) Depreciation

Depreciation is based on the cost of an investment property less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of investment property of 27 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Property, plant and equipment

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(m)(ii)).

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives are as follows:

— Right-of-use assets	over the lease term
— Buildings and structure	30 years
— Motor vehicles	4 years
— Office equipment and others	2–5 years
— Leasehold improvements	the shorter of the unexpired term of lease and estimated useful lives

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Property, plant and equipment (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(m)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Intangible assets mainly include software, databases, customer relationship, brand, and online questionnaire platform. They are initially recognised and measured at cost or estimated fair value of intangible assets acquired through business combinations. The intangible assets are amortised over their estimated useful lives (generally three to ten years) using the straight-line method which reflects the pattern in which the intangible asset's future economic benefits are expected to be consumed.

Intangible assets are stated at cost less accumulated amortisation and impairment losses (see note 2(m)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Both the period and method of amortisation are reviewed annually.

The Group has no intangible assets with indefinite useful life.

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

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

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Leased assets (Continued)

(i) As a lessee (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

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

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(j) and 2(m)(ii)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost.

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

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Leased assets (Continued)

(i) As a lessee (Continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

— financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and receivables from related parties which are held for the collection of contractual cash flows which represent solely payments of principal and interest);

— contract assets as defined in IFRS 15 (see note 2(o)); and

— lease receivables;

Other financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

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

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

— fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate;

— lease receivables: discount rate used in the measurement of the lease receivable.

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

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

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Credit losses and impairment of assets (Continued)

(i) ***Credit losses from financial instruments, contract assets and lease receivables*** (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

— failure to make payments of principal or interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 2(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment and investment properties;

— intangible assets;

— goodwill; and

— investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Credit losses and impairment of assets (Continued)

(ii) *Impairment of other non-current assets* (Continued)

— *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) *Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(m)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which interim period relates.

(n) Other contract cost

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. The Group takes advantage of practical expedient in paragraph 94 of IFRS 15 and expensed the incremental costs of obtaining a contract as incurred as almost all the incremental costs of the Group are expected to be amortised within one year. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Costs of fulfilling a contract are expensed using a method which is consistent with the pattern of recognition of the respective revenue.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(v)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(m)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(p)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(v)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(p)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(v)).

(p) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(o)).

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see note 2(m)(i)).

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(m)(i).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payment

The fair value of share-based payment (including share options and Restricted Share Units (the "**RSUs**")) granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. For grant of share options, the fair value is measured at grant date using the binomial option-pricing model, taking into account the terms and conditions upon which the options were granted. For grant of RSUs, the fair value is measured at the grant-date share price. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options and RSUs, the total estimated fair value of the options and RSUs is spread over the vesting period, taking into account the probability that the options and restricted shares will vest.

During the vesting period, the number of share options and RSUs that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options and RSUs that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option/RSU is exercised/unlocked (when it is included in the amount recognised in share capital and share premium for the shares issued) or the option expires (when it is released directly to retained profits).

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to Investments in subsidiary to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

— the same taxable entity; or

— different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(u) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Provisions and contingent liabilities (Continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(v) Revenue and other income

The Group generates revenue from providing a variety of talent acquisition and other HR services to business customers and talent development services to individual paying users.

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

(i) Revenue from services

Talent acquisition services provided to business customers

— Subscription-based model:

The Group generates approximately half of its revenue from providing a variety of talent acquisition services to its business customers under the subscription-based model. Under subscription-based model, the Group provides to the customers a customised package of services, such services including online job posting, candidates recommendation, contacting candidates, intent communications with job candidates, invitations to apply for jobs, top display of job postings, etc.

The subscription fee varies based on the type and quantity of services agreed with the business customers. The Group normally receives all of the subscription fee upfront, such amount is non-refundable and recognised as contract liabilities as a current liability.

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

Each service is a performance obligation. At contract inception, the transaction price is allocated to each performance obligation on the basis of relative stand-alone selling price. The stand-alone selling prices are determined by observable price of a service when the Group sells that service separately in similar circumstances and to similar customers. The revenue from the consumption-based service is recognised upon the consumption of the individual service. The revenue from the time-based service is recognised on a straight-line basis over the contract period.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue and other income (Continued)

(i) ***Revenue from services*** (Continued)

Talent acquisition services provided to business customers (Continued)

— Subscription-based model: (Continued)

Breakage on consumption-based revenue refer to the service under consumption-base contract that will expire unused. The Group estimated the expected breakage based on historical experience and recognised the expected breakage as revenue in proportion to the pattern of services utilised by the customers. Any residual contract liabilities at the end of the service period, after the effect of previously recognised expected breakage amount, is fully recognised in profit or loss.

— Transaction-based models

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

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

Online survey subscription services

The Group provides online survey subscription services to customers on the Group's platform named "Wenjuanxing" within the subscription period. The revenue is recognised on a straight-line basis over the subscription period.

Online advertising services provided to business customers

The Group's survey service platform enables customers to bid for priority placement of marketing links and reach users who complete questionnaires. Customers pay for the specific actions taken by users after clicking the link. Revenue is recognised when all of the revenue recognition criteria are met, which is generally when the users take an action.

Career services provided to individual paying users

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

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue and other income (Continued)

(i) Revenue from services (Continued)

Online professional certification training services to individual paying users

The Group provides online professional certification training services to its customers, which is an integrated service, including audio-video course content, online study groups and online chat rooms during the subscription period. Video course content, online study groups and online chat rooms are highly interdependent and interrelated in the context of the contract with the online education services. Therefore, the Group has determined that the online professional certification training services represent a single performance obligation. The revenues for the online professional certification training services are recognised on a straight-line basis over the subscription period from the month in which the customers enrol in the courses to the month in which the subscriptions expire. The subscriptions will expire upon the earlier when customers pass the examination or two examinations are finished.

(ii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(m)(i)).

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Translation of foreign currencies (Continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of the key management personnel of the Group or the Group's parent.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

In a manner with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services and geographical areas.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial information. The significant accounting policies are set out in note 2. Other key sources of estimation uncertainty are as follows:

Fair value of share-based compensation payments

As mentioned in note 26, the Group has granted shares options to its employees. The Group has used binomial option-pricing model to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, is required to be made by the Group in applying the binomial option-pricing model.

4 REVENUE

The principal activities of the Group are providing a variety of talent acquisition, human resource outsourcing, online questionnaire subscription and online advertising services to business customers and career coaching, professional skill training and CV advisory services individual paying users.

(a) Disaggregation of revenue

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

	2022 *RMB'000*	2021 *RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Services to business customers	**2,346,354**	2,309,003
Services to individual paying users	**289,876**	341,124
	2,636,230	2,650,127
Revenue from other sources		
Rental income from investment property	**1,691**	1,341
	2,637,921	2,651,468

The Group's customer base is diversified. There was no customer with whom transactions have exceeded 10% of the Group's revenue in 2022.

4 REVENUE (Continued)

(b) The Group takes advantage of practical expedient in paragraph 121 (a) of IFRS 15, and the information of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date is not disclosed.

(c) Total future minimum lease payments receivable by the Group

Total future minimum lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**1,592**	786

5 OTHER INCOME

	2022	2021
	RMB'000	*RMB'000*
Interest income from bank deposits	**37,744**	35,515
Investment income from wealth management products	**25,130**	12,946
Government grant	**40,438**	13,145
Additional deduction for value added tax	**12,369**	13,734
Fair value changes of financial assets at fair value through profit or loss	**(43,145)**	(2,954)
Dividend income	**16,327**	6,714
Others	**670**	1,002
	89,533	80,102

6 PROFIT BEFORE TAXATION IS ARRIVED AT AFTER CHARGING

	2022 *RMB'000*	2021 *RMB'000*
(a) Staff costs		
Salaries, wages and other benefits	**1,361,895**	1,290,101
Contributions to defined contribution retirement plan *(note)*	**104,180**	89,595
Share-based compensation expenses *(note 26)*	**96,312**	93,383
	1,562,387	1,473,079

Note:

As stipulated by the regulations of the PRC, the Group participates in defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at rates ranging from 13% to 16% of the salaries, bonuses and certain allowances of the employees during the years of 2022 and 2021. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce existing level of contribution.

A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

	2022 *RMB'000*	2021 *RMB'000*
(b) Other items		
Depreciation charge *(note 12)*		
— owned property, plant and equipment	**23,676**	23,256
— right-of-use assets	**68,492**	61,462
	92,168	84,718
Amortisation of intangible assets *(note 13)*	**51,682**	53,329
Expected credit losses of trade and other receivables	**13,277**	14,795
Operating lease and property management charge	**10,736**	14,951
Auditors' remuneration-Audit service	**5,650**	6,044

7 NET FINANCE INCOME/(COST)

	2022 RMB'000	2021 RMB'000
Interest on bank loans and other borrowings	**(1,808)**	(62)
Interest on lease liabilities	**(6,602)**	(6,882)
Foreign currency exchange gain/(loss)	**31,945**	(7,472)
Bank charges and others	**(1,537)**	(2,881)
	21,998	(17,297)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss:

	Note	2022 RMB'000	2021 RMB'000
Current tax			
Provision for the year		**31,859**	51,137
Over-provision in respect of prior years		**(9,522)**	(11,696)
		22,337	39,441
Deferred tax			
Origination and reversal of temporary differences	27(b)	**(4,247)**	(16,307)
		18,090	23,134

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Note	2022 RMB'000	2021 RMB'000
Profit before taxation		**107,677**	214,563
Tax calculated at a tax rate of 25% (2021: 25%)	(i)	**26,919**	53,641
Effect of different tax rates	(ii)/(iii)	**(17,454)**	(26,370)
Tax effect of non-deductible expenses		**585**	2,715
Tax effect of non-taxable income		**(7,184)**	(4,380)
Tax effect of unused tax losses and other temporary differences not recognised		**77,414**	39,872
Utilisation of tax losses previously not recognised		**(13,081)**	(2,546)
Effect on deferred tax resulting from changes in tax rate		**55**	(5,928)
Research and development expenses additional deduction	(iv)	**(39,642)**	(22,174)
Over-provision in respect of prior years		**(9,522)**	(11,696)
Actual tax expense		**18,090**	23,134

Note: (i) 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.

(ii) The PRC Corporate Income Tax Law allows enterprises to apply for certificate of "High and New Technology Enterprise" ("**HNTE**"), which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfilment of the recognition criteria.

TD Elite (Tianjin) Information Technology Co., Ltd., INS Network (Beijing) Information Technology Co., Ltd.and Beijing Saiyou Education Technology Co., Ltd., which are the subsidiaries of the Group, were qualified as a HNTE. Accordingly, all of them are entitled to the preferential tax rate of 15% for the years ended 31 December 2021 and 2022.

(iii) Changsha Ranxing Information Technology Co., Ltd.("**Changsha Ranxing**") was entitled to the policy of "two-year exemption and three-year half payment" for enterprise income tax since 2017, and paid the enterprise income tax at the preferential tax rate of 12.5% from 2019 to 2021. Changsha Ranxing was qualified as a HNTE in 2021 and entitled to the preferential tax rate of 15% in 2022.

(iv) According to the relevant tax rules in the PRC, qualified research and development expenses are allowed for additional tax deduction based on 75% of such expenses for the years ended 31 December 2021 and 2022.

9 DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(a) Directors' emoluments

Details of directors' emoluments are as follows:

Year ended 31 December 2022

	Directors' fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Retirement scheme contributions *RMB'000*	Share-based compensation expenses *RMB'000*	Total *RMB'000*
Executive directors:						
Mr. Dai Kebin	–	2,774	–	58	–	2,832
Mr. Chen Xingmao *(note)*	–	2,097	–	58	–	2,155
Non-executive directors						
Mr.Shao Yibo	–	–	–	–	–	–
Mr.Zuo Lingye *(resigned on 15 September 2022)*	–	–	–	–	–	–
Mr.Ding Gordon Yi *(resigned on 17 June 2022)*	–	–	–	–	–	–
Independent non-executive directors						
Mr. Ye Yaming	429	–	–	–	–	429
Mr. Zhang Ximeng	429	–	–	–	–	429
Mr. Choi Onward	429	–	–	–	–	429
Total	1,287	4,871	–	116	–	6,274

9 DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

Year ended 31 December 2021

	Directors' fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Retirement scheme contributions *RMB'000*	Share-based compensation expenses *RMB'000*	Total *RMB'000*
Executive directors:						
Mr. Dai Kebin	—	1,885	—	53	—	1,938
Mr. Chen Xingmao *(note)*	—	1,590	—	53	—	1,643
Non-executive directors						
Mr. Shao Yibo	—	—	—	—	—	—
Mr. Zuo Lingye	—	—	—	—	—	—
Mr. Ding Gordon Yi	—	—	—	—	—	—
Independent non-executive directors						
Mr. Ye Yaming	388	—	—	—	—	388
Mr. Zhang Ximeng	388	—	—	—	—	388
Mr. Choi Onward	388	—	—	—	—	388
Total	1,164	3,475	—	106	—	4,745

Note: All the executive directors are key management personnel of the Group and their remuneration disclosed above represents those for services rendered by them as key management personnel.

Mr. Chen Xingmao was granted a loan during 2020 (Note 30(b)(i)).

9 DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one of them is a director of the Group (2021: Nil). The aggregate of the emoluments in respect of the 4 (2021: 5) individuals are as follows:

	2022 *RMB'000*	2021 *RMB'000*
Salaries, bonuses and other emoluments	8,014	9,275
Share-based compensation expenses	9,887	5,474
Retirement scheme contributions	236	241
	18,137	14,990

The emoluments of the above individuals with the highest emoluments are within the following bands:

	2022 Number of Individuals	2021 Number of Individuals
HKD2,500,001–HKD3,000,000	—	1
HKD3,000,001–HKD3,500,000	—	1
HKD3,500,001–HKD4,000,000	1	1
HKD4,000,001–HKD4,500,000	—	2
HKD5,000,001–HKD5,500,000	2	—
HKD6,500,001–HKD7,000,000	1	—

10 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2022			2021		
	Before-tax amount RMB'000	Tax (expense)/ benefit RMB'000	Net-of-tax amount RMB'000	Before-tax amount RMB'000	Tax (expense)/ benefit RMB'000	Net-of-tax amount RMB'000
Exchange differences on translation of the financial statements of overseas group entities	133,301	–	133,301	(39,907)	–	(39,907)
Other comprehensive income	133,301	–	133,301	(39,907)	–	(39,907)

11 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 Company of RMB44,367 thousand (2021: the profit of RMB134,425 thousand) and the weighted average number of 501,934 thousand ordinary shares in issue during the year (2021: 510,547 thousand ordinary shares in issue during the year), calculated as follows:

Weighted average number of ordinary shares

	2022 '000	2021 '000
Issued ordinary shares at 1 January	523,791	521,458
Effect of shares held for the RSU Scheme	(22,139)	(12,235)
Effect of share options exercised	282	1,324
Weighted average number of ordinary shares at 31 December	501,934	510,547

11 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB44,367 thousand (2021: the profit of RMB134,425 thousand) and the weighted average number of ordinary shares of 504,078 thousand shares (2021: 515,646 thousand shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2022 RMB'000	2021 RMB'000
Profit attributable to ordinary equity shareholders (basic and diluted)	44,367	134,425

(ii) Weighted average number of ordinary shares (diluted)

	2022 '000	2021 '000
Weighted average number of ordinary shares at 31 December	501,934	510,547
Effect of deemed issue of shares under the Company's share option and RSU scheme for consideration	2,144	5,099
Weighted average number of ordinary shares (diluted) at 31 December	504,078	515,646

12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

	Office premises leased for own use RMB'000	Buildings and structure RMB'000	Motor vehicles RMB'000	Office equipment, and others RMB'000	Leasehold improvements RMB'000	Sub-total RMB'000	Investment properties RMB'000	Total RMB'000
Cost:								
At 1 January 2021	196,748	8,880	4,632	37,807	38,836	286,903	41,988	328,891
Additions	101,511	—	610	22,541	15,830	140,492	—	140,492
Transferred	—	9,459	—	—	—	9,459	(9,459)	—
Disposals	(40,257)	—	(817)	(3,711)	—	(44,785)	—	(44,785)
At 31 December 2021 and 1 January 2022	258,002	18,339	4,425	56,637	54,666	392,069	32,529	424,598
Additions	97,311	400	2,053	15,599	6,957	122,320	—	122,320
Disposals	(54,702)	—	—	(1,425)	—	(56,127)	—	(56,127)
At 31 December 2022	**300,611**	**18,739**	**6,478**	**70,811**	**61,623**	**458,262**	**32,529**	**490,791**
Accumulated depreciation:								
At 1 January 2021	(84,620)	(493)	(2,028)	(22,025)	(28,518)	(137,684)	(7,029)	(144,713)
Charge for the year	(61,462)	(539)	(684)	(10,493)	(10,164)	(83,342)	(1,376)	(84,718)
Transferred	—	(851)	—	—	—	(851)	851	—
Written back on disposal	31,817	—	817	2,931	—	35,565	—	35,565
At 31 December 2021 and 1 January 2022	(114,265)	(1,883)	(1,895)	(29,587)	(38,682)	(186,312)	(7,554)	(193,866)
Charge for the year	(68,492)	(1,057)	(430)	(12,269)	(8,890)	(91,138)	(1,030)	(92,168)
Written back on disposal	51,505	—	—	799	—	52,304	—	52,304
At 31 December 2022	**(131,252)**	**(2,940)**	**(2,325)**	**(41,057)**	**(47,572)**	**(225,146)**	**(8,584)**	**(233,730)**
Net book value:								
At 31 December 2022	**169,359**	**15,799**	**4,153**	**29,754**	**14,051**	**233,116**	**23,945**	**257,061**
At 31 December 2021	143,737	16,456	2,530	27,050	15,984	205,757	24,975	230,732

12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES (Continued)

(b) Right-of-use assets

Right-of-use assets represent office premises leased for own use and were carried at cost less accumulated depreciation and impairment.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2022	2021
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets	**68,492**	61,462
Interest on lease liabilities *(note 7)*	**6,602**	6,882
Expense relating to short-term leases	**8,946**	10,137

During the year, additions to right-of-use assets were RMB97,311 thousand. This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in note 23(c) and note 25 respectively.

The Group has obtained the right to use properties as its offices through tenancy agreements. The leases typically run for an initial period of 1 to 5 years.

12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES (Continued)

(b) Right-of-use assets (Continued)

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to those future lease payments is summarised below:

	Lease liabilities recognised (discounted)		Potential future lease payments under extension options not include in lease liabilities (undiscounted)	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
Office premises — in PRC	**6,770**	5,939	**7,100**	6,574

The amount of lease payments for the year is summarised below:

	2022 Total payments *RMB'000*	2021 Total payments *RMB'000*
Office premises — in PRC	**77,881**	66,886

(c) Investment properties

The Group leases out investment properties under operating leases to earn rental income. The leases typically run for an initial period of 1 to 3 years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Please see note 4(c) for the undiscounted lease payments under non-cancellable operating leases in place at the end of the reporting period that will be receivable by the Group in future periods.

The fair value as at 31 December 2022 of the Group's investment properties was RMB24.7 million (2021: RMB26.8 million).

The fair value investment properties are categorised into Level 3 in the fair value hierarchy. The fair value amount is valued under market approach.

13 INTANGIBLE ASSETS

	Customer relationships RMB'000	Trademarks RMB'000	Software and others RMB'000	Total RMB'000
Cost:				
At 1 January 2021	94,400	153,800	44,998	293,198
Additions	—	—	604	604
At 31 December 2021 and 1 January 2022	94,400	153,800	45,602	293,802
Additions	—	—	26	26
At 31 December 2022	**94,400**	**153,800**	**45,628**	**293,828**
Accumulated amortisation:				
At 1 January 2021	(32,959)	(5,142)	(25,289)	(63,390)
Charge for the year	(30,693)	(16,608)	(6,028)	(53,329)
At 31 December 2021 and 1 January 2022	(63,652)	(21,750)	(31,317)	(116,719)
Charge for the year	(30,468)	(15,213)	(6,001)	(51,682)
At 31 December 2022	**(94,120)**	**(36,963)**	**(37,318)**	**(168,401)**
Net book value:				
At 31 December 2022	**280**	**116,837**	**8,310**	**125,427**
At 31 December 2021	30,748	132,050	14,285	177,083

The amortisation charge for the year is included in "cost of revenue", "sales and marketing expenses", "general and administrative expenses" and "research and development expenses" in the consolidated statement of profit or loss.

14 GOODWILL

	RMB'000
Cost:	
At 31 December 2021 and 2022	855,651

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to businesses acquired as follows:

	2022 RMB'000	2021 RMB'000
Shanghai Xunhou Human Resources Co. Ltd. — Human resource outsourcing business	49,160	49,160
Liepin Kaipusi (Tianjin) Information Technology Co., Ltd. — Campus recruitment business	14,426	14,426
Changsha Ranxing Information Technology Co., Ltd. — Advertising business	647,598	647,598
Beijing Saiyou Education Technology Co., Ltd. — Online education service business	144,467	144,467
	855,651	855,651

For each of the abovementioned CGU, value in use was determined using discounted cash flow calculations which derived from the five-year financial projections plus a terminal value related to cash flows beyond the projection period extrapolated using an estimated terminal growth rate of not more than 3% (2021:3%). Management leveraged their experiences in the industries and provided forecast based on past performance and their anticipation of future business and market developments. Pre-tax discount rates ranging from 21% to 30% (2021: 18% to 25%) were applied in the discounted cash flows calculations, which reflected assessments of time value and the specific risks relating to the respective industries.

(Expressed in RMB unless otherwise indicated)

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	*Note*	Place of incorporation/ establishment and business	Paid up capital/ registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by the subsidiary	Type of business	Principal activities
TD Elite (HK) Information Technology Co., Ltd. 同道精英(香港)信息技術有限公司		Hong Kong	1 ordinary share	100%	100%	—	—	Investing holding company
Wisest (Beijing) Management Consulting Co.,Ltd. 萬仕道(北京)管理諮詢股份有限公司*	(i)	PRC	RMB39,746,000	100%	—	100%	Equity joint ventures	Talent services
Liedao Information Technology Co., Ltd. 獵道信息技術有限公司*	(i)	PRC	RMB2,000,000/ RMB50,000,000	100%	—	100%	Limited liability company ("**LLC**")	Talent services
Tongdao Liepin (Tianjin) Technology Group Co., Ltd. 同道獵聘(天津)科技集團有限公司*	(i)	PRC	USD100,000,000	100%	—	100%	Wholly foreign-owned enterprise	Talent services
INS Network (Beijing) Information Technology Co., Ltd. 英仕互聯(北京)信息技術有限公司*		PRC	RMB323,154,922	100%	—	100%	LLC	Talent services
TD Information Technology Co., Ltd. 同道匯才(天津)信息技術有限公司*		PRC	RMB50,000,000	100%	—	100%	LLC	Talent services
TD Elite (Tianjin) Information Technology Co., Ltd. ("**TD Elite (Tianjin)**") 同道精英(天津)信息技術有限公司*	(i)	PRC	RMB1,002,000/ RMB12,000,000	100%	—	100%	LLC	Talent services
CGL Consulting Co., Ltd 上海德築企業管理有限公司*		PRC	RMB4,081,633	51%	—	51%	LLC	Talent services
Tongdaoyouxin (Tianjin) Information Technology Co.,Ltd. 同道有薪(天津)信息技術有限公司*		PRC	RMB2,000,000/ RMB10,000,000	100%	—	100%	LLC	Talent services

(Expressed in RMB unless otherwise indicated)

				Proportion of ownership interest				
Company name	*Note*	**Place of incorporation/ establishment and business**	**Paid up capital/ registered capital**	**Group's effective interest**	**Held by the Company**	**Held by the subsidiary**	**Type of business**	**Principal activities**
Lieweilai(Tianjin) Investment Co.,Ltd. 獵未來 (天津) 投資有限公司*		PRC	USD11,400,000/ USD30,000,000	100%	—	100%	LLC	Talent services
Shanghai Xunhou Human Resources Co., Ltd. ("**Xunhou**") 上海勛厚人力資源有限公司*		PRC	RMB4,491,987	65%	—	65%	LLC	Talent services
Liepin Kaipusi (Tianjin) Information Technology Co., Ltd. ("**Liepin Kaipusi**") 獵聘凱普斯 (天津) 信息技術有限公司*		PRC	RMB1,000,000	71%	—	71%	LLC	Talent services
Changsha Ranxing Information Technology Co., Ltd. ("**Changsha Ranxing**") 長沙冉星信息科技有限公司*		PRC	RMB11,787,027	67%	—	67%	LLC	Online survey services
Beijing Saiyou Education Technology Co., Ltd. ("**Beijing Saiyou**") 北京賽優職教育科技有限公司*		PRC	RMB1,454,229	52%	—	52%	LLC	Online education services

* The official name of this entity is in Chinese. The English name is for identification purpose only.

Note:

(i) The Group does not legally have 100% ownership in equity of these structured entities. Nevertheless, under certain contractual agreements (the "**Contractual Agreements**") entered into with the registered owners of these structured entities, the Company and its other legally owned subsidiaries control these companies by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, such contractual agreements also transfer the risks and rewards of these companies to the Company and/or its other legally owned subsidiaries. As a result, they are presented as controlled structured entities of the Company.

All companies comprising the Group have adopted 31 December as their financial year end date.

16 INTERESTS IN ASSOCIATE

The following table sets out the particular of the associates of the Group as at 31 December 2022, which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Registered capital	Held by the subsidiary	Principal activity
Liusheng Information Technology (Hangzhou) Co., Ltd ("**Liusheng**")* 六晟信息科技(杭州)有限公司*	Incorporated	The PRC	RMB3,800,000	15.00%	Human Resources
Beijing Qingsi Information Technology Co., Ltd. ("**Beijing Qingsi**") 北京青絲科技有限公司	Incorporated	The PRC	RMB1,000,000	30.00%	Human Resources

* Liusheng is classified as an associate by virtue of the Group's significant influence over Liusheng's operational and financial policies through controlling one out of the total five board seats on Liusheng.

Aggregate information of associate that is not individually material:

	31 December 2022 ***RMB'000***	31 December 2021 *RMB'000*
Aggregate carrying amount of associate in the consolidated financial statements		
— Liusheng	**6,734**	6,782
— Beijing Qingsi	**2,275**	2,033
	9,009	8,815

	2022 ***RMB'000***	2021 *RMB'000*
Aggregate amounts of the Group's share of associates' result for the year	**343**	1,154
Total comprehensive income	**343**	1,154
Dividend declared	**149**	300

17 OTHER FINANCIAL ASSETS

	31 December 2022 RMB'000	31 December 2021 RMB'000
Unlisted equity securities designated at FVOCI (non-recycling)	8,700	8,700
Unlisted equity securities at FVPL	186,779	169,999
	195,479	178,699

18 CONTRACT LIABILITIES

	31 December 2022 RMB'000	31 December 2021 RMB'000
Contract liabilities		
— Billings in advance of service	829,204	988,618

Under subscription-based model services, the Group normally receives all of the subscription service fee upfront, this will give rise to the contract liabilities at the start of each contract. Contract liabilities will be recognised as revenue upon the providing of services or on a straight-line basis over the contract period.

The contract liabilities balance as at 1 January 2022 and 2021 was all recognised as revenue in those years respectively. All the billings in advance of service at the end of the reporting period are expected to be recognised as revenue within one year.

19 TRADE RECEIVABLES

	31 December 2022 RMB'000	31 December 2021 RMB'000
Trade receivables — measured at amortised cost	160,730	93,539

All the trade receivables are expected to be recovered within one year.

19 TRADE RECEIVABLES (Continued)

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:

	2022 *RMB'000*	2021 *RMB'000*
Within 60 days	**159,196**	91,556
60 days to 1 year	**1,534**	1,983
	160,730	93,539

Details on the Group's credit policy and credit risk arising from trade receivable are set out in note 29(a).

20 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Prepayments to suppliers	**39,946**	53,927
Other receivables	**50,496**	74,667
Interest receivable	**20,141**	19,351
	110,583	147,945

All of prepayments and other receivables are expected to be recovered or recognised as expense within one year.

21 OTHER CURRENT ASSETS

	31 December 2022 RMB'000	31 December 2021 RMB'000
Restricted cash	—	2,000
Rental deposits	25,356	23,137
VAT recoverable	19,432	19,856
Investment in wealth management products	756,563	831,114
	801,351	876,107

The wealth management products are issued by banks in the PRC with variable interest rate due within one year and are measured at fair value.

22 TIME DEPOSITS WITH BANKS

	31 December 2022 RMB'000	31 December 2021 RMB'000
Within 1 year	1,667,132	107,482
Over 1 year	233,287	1,678,722
Time deposits with banks with initial maturity of over three months	1,900,419	1,786,204

Time deposits with banks generally have a maturity of 3 months and above, but are able to withdraw in advance as needed. Early withdrawal will cause the Group to lose the majority of interest. As of the date of this report, the Group did not intend to withdraw in advance.

23 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Deposits with banks and other financial institutions	432,481	495,778
Time deposits with maturities within three months	44,000	—
Cash and cash equivalents	476,481	495,778

23 CASH AND CASH EQUIVALENTS (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Bank loans *RMB'000*	Lease liabilities *RMB'000*
At 1 January 2021	—	114,191
Changes from financing cash flows:		
Proceeds from interest-bearing borrowings	3,005	—
Repayment from interest-bearing borrowings	(3,000)	—
Interest paid	(62)	—
Capital element of lease rentals paid	—	(60,004)
Interest element of lease rentals paid	—	(6,882)
Total changes from financing cash flow	(57)	(66,886)
Other changes:		
Interest expenses *(note 7)*	62	6,882
Increase in lease liabilities from entering into new leases during the period	—	101,511
Decrease in lease liabilities from termination of leases during the period	—	(8,770)
At 31 December 2021 and 1 January 2022	5	146,928
Changes from financing cash flows:		
Proceeds from interest-bearing borrowings	60,303	—
Repayment from interest-bearing borrowings	(51,598)	—
Interest paid	(1,808)	—
Capital element of lease rentals paid	—	(71,279)
Interest element of lease rentals paid	—	(6,602)
Total changes from financing cash flow	6,897	(77,881)
Other changes:		
Interest expenses *(note 7)*	1,808	6,602
Increase in lease liabilities from entering into new leases during the period	—	97,311
Decrease in lease liabilities from termination of leases during the period	—	(3,505)
At 31 December 2022	**8,710**	**169,455**

23 CASH AND CASH EQUIVALENTS (Continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2022 *RMB'000*	2021 *RMB'000*
Within operating cash flows	**(8,946)**	(10,197)
Within financing cash flows	**(77,881)**	(66,886)
	(86,827)	(77,083)

These amounts relate to the following:

	2022 *RMB'000*	2021 *RMB'000*
Lease rentals paid	**(86,827)**	(77,083)

24 TRADE AND OTHER PAYABLES

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Trade payables to third parties	**136,108**	54,042
Salary and welfare payable	**269,457**	314,897
Other tax payables	**58,991**	80,787
Other payables	**78,102**	45,815
	542,658	495,541

24 TRADE AND OTHER PAYABLES (Continued)

Ageing analysis

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

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Within 30 days	**91,508**	48,717
30 days to 1 year	**44,600**	5,325
	136,108	54,042

25 LEASE LIABILITIES

At 31 December 2022, the lease liabilities were repayable are follows:

	As at 31 December, 2022		As at 31 December, 2021	
	Present value of the minimum lease payments *RMB'000*	**Total minimum lease payments** *RMB'000*	Present value of the minimum lease payments *RMB'000*	Total minimum lease payments *RMB'000*
Within 1 year	**64,682**	**66,423**	66,718	68,624
After 1 year but within 2 years	**51,309**	**55,268**	39,887	43,172
After 2 years but within 5 years	**53,464**	**62,062**	40,323	46,997
	104,773	**117,330**	80,210	90,169
	169,455	**183,753**	146,928	158,793
Less: total future interest expenses		**(14,298)**		(11,865)
Present value of lease obligations		**169,455**		146,928

(Expressed in RMB unless otherwise indicated)

26 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share option scheme

The Group has a share option scheme which was adopted on 1 January 2012 whereby the directors of the Group are authorised, at their discretion, to invite employees of the Group, to take up options to subscribe for shares of the Group. 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.

On 20 August 2021, with the approval of the board of directors, the Group modified the vesting schedule from 50% vested in the second year to 25% vested in each of the first two years. The modification does not result in a martial change in the fair value of the share option at the date of modification.

(i) The number and weighted average exercise prices of share options are as follows:

	2022		2021	
	Weighted average exercise price ***RMB***	**Number of options**	Weighted average exercise price *RMB*	Number of options
Outstanding at the beginning of the period	**10.611**	**18,586,105**	11.241	12,662,127
Exercised during the period	**2.322**	**988,270**	4.051	2,332,972
Forfeited during the period	**14.146**	**1,655,750**	12.662	993,050
Granted during the period	**13.797**	**1,250,000**	10.463	9,250,000
Outstanding at the end of the period	**12.484**	**17,192,085**	10.611	18,586,105
Exercisable at the end of the period	**13.406**	**8,104,585**	10.024	4,849,592

The weighted average share price at the date of exercise for shares options exercised during the year was RMB7.03 (2021: RMB16.47).

(Expressed in RMB unless otherwise indicated)

26 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

(i) (Continued)

Terms of unexpired and unexercised share options at the end of the reporting period are as follows:

	2022		2021	
Exercise price	**Number of options**	**Weighted average remaining contractual life**	Number of options	Weighted average remaining contractual life
USD0.0268	**25,665**	**5.2 years**	690,565	4.6 years
USD1.00	**904,620**	**5.4 years**	1,333,740	6.4 years
USD2.50	**2,211,800**	**5.4 years**	2,311,800	6.4 years
HKD18.22	**800,000**	**6.9 years**	850,000	7.9 years
HKD18.30	**1,350,000**	**6.7 years**	1,850,000	7.7 years
HKD15.50	**350,000**	**7.3 years**	350,000	8.3 years
HKD16.55	**1,400,000**	**7.6 years**	1,600,000	8.6 years
HKD18.10	**500,000**	**7.5 years**	500,000	8.5 years
HKD19.94	**1,100,000**	**8.3 years**	1,100,000	9.3 years
HKD11.46	**7,800,000**	**8.8 years**	8,000,000	9.8 years
HKD17.78	**500,000**	**9.0 years**	N/A	N/A
HKD9.97	**200,000**	**9.5 years**	N/A	N/A
HKD7.50	**50,000**	**9.8 years**	N/A	N/A

(ii) Fair value of share options and assumptions

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 in 2022 is measured based on a binomial option-pricing model.

	2022 ***RMB***
Fair value at measurement date	**3.04-6.72**
Share price	**6.63-14.51**
Exercise price	**6.8-14.51**
Expected volatility	**52.31%-53.00%**
Expected dividend yield	**0%**
Risk-free interest rate	**1.78%-2.83%**

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

26 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

(iii) Shares award granted by CGL Consulting Co., Ltd

On 22 December 2017, CGL Consulting Co., Ltd, a subsidiary of the Company, granted 49% of its equity to its founder with a fair value of RMB12 million. The share awards are vesting in tranches of 25% each per annum from the date of grant in arrears.

(b) 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 purpose of the RSU Scheme is to reward employees for their service to the Group and to provide incentives to them to further contribute to the Group.

On 20 August 2021, with the approval of the board of directors, the Group modified the vesting schedule from 50% vested in the second year to 25% vested in each of the first two years. The modification has no effect on the fair value of RSUs granted.

During the year ended 31 December 2022, 2,402,000 RSUs were granted and will vest after one to four years from the date of grant. The fair value of the granted RSUs was determined based on the market price of the Company's shares at the respective grant date. The Group will transfer the relevant RSU to the eligible employees when they are vested. The weighted average fair value of awarded shares granted during the year ended 31 December 2022 was RMB11.92 per share. During 2022, 1,749,974 RSUs were vested.

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2022 RMB'000	2021 RMB'000
At 1 January	**33,030**	32,020
Provision for PRC Income Tax the year *(note 8(a))*	**31,859**	51,137
Over-provision in respect of prior years *(note 8(a))*	**(9,522)**	(11,696)
PRC Income Tax paid	**(46,194)**	(38,431)
At 31 December	**9,173**	33,030

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities.

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Provision for impairment of assets *RMB'000*	Government subsidies that have not yet been received *RMB'000*	Effect of lease liabilities *RMB'000*	Depreciation charge of right-of-use assets *RMB'000*	Deemed disposal of associate *RMB'000*	Accumulated losses *RMB'000*	Fair value changes of FVPL *RMB'000*	Fair value changes of FVOCI *RMB'000*	Intangible assets separately identified in business combination *RMB'000*	Fair value changes of property recognised in business combination *RMB'000*	Total *RMB'000*
Deferred tax arising from:											
At 1 January 2021	15,005	(228)	28,540	(28,025)	(1,660)	5,787	100	(1,239)	(39,689)	(416)	(21,825)
Charged/(credited) to profit or loss	(2,682)	228	(1,347)	1,212	–	2,463	2,406	–	14,017	10	16,307
At 31 December 2021 and 1 January 2022	12,323	–	27,193	(26,813)	(1,660)	8,250	2,506	(1,239)	(25,672)	(406)	(5,518)
Charged/(credited) to profit or loss	3,232	–	386	(656)	–	(6,066)	(33)	–	7,427	(43)	4,247
At 31 December 2022	**15,555**	**–**	**27,579**	**(27,469)**	**(1,660)**	**2,184**	**2,473**	**(1,239)**	**(18,245)**	**(449)**	**(1,271)**

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised: (Continued)

(ii) Reconciliation to the consolidated statement of financial position

	31 December 2022 RMB'000	31 December 2021 RMB'000
Net deferred tax asset recognised in the consolidated statement of financial position	**17,577**	20,858
Net deferred tax liability recognised in the consolidated statement of financial position	**(18,848)**	(26,376)
	(1,271)	(5,518)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB852 million (2021: RMB456 million). The tax losses will expire from 2023 to 2032.

(d) Deferred tax liabilities not recognised

As at 31 December 2022, temporary differences relating to the undistributed profits of subsidiaries amounted to RMB551,212 thousand (2021: RMB565,419 thousand). Deferred tax liabilities of RMB55,121 thousand (2021: RMB56,542 thousand) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

28 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2021		340	2,767,035	(184,071)	150,712	(15,651)	(38,811)	2,679,554
Changes in equity for the period ended at 31 December 2021:								
Loss for the period		—	—	—	—	—	(413)	(413)
Other comprehensive income		—	—	—	—	(73,105)	—	(73,105)
Total comprehensive income		—	—	—	—	(73,105)	(413)	(73,518)
Shares held for the RSU scheme of the Company	28(c)	—	—	(82,644)	—	—	—	(82,644)
Vesting of shares under RSU scheme	26(b)	—	2,662	42,099	(44,761)	—	—	—
Shares issued under share option scheme		1	40,491	—	(31,042)	—	—	9,450
Share-based compensation expenses	6(a)/26/28(d)	—	—	—	90,408	—	—	90,408
Balance at 31 December 2021 and 1 January 2022		341	2,810,188	(224,616)	165,317	(88,756)	(39,224)	2,623,250
Changes in equity for the period ended at 31 December 2022:								
Loss for the period		—	—	—	—	—	(21,645)	(21,645)
Other comprehensive income		—	—	—	—	275,165	—	275,165
Total comprehensive income		—	—	—	—	275,165	(21,645)	253,520
Shares held for the RSU scheme of the Company	28(c)	—	—	(148,974)	—	—	—	(148,974)
Vesting of shares under RSU scheme	26(b)	—	10,153	21,119	(31,272)	—	—	—
Shares issued under share option scheme		1	16,368	—	(14,065)	—	—	2,304
Share-based compensation expenses	6(a)/26/28(d)	—	—	—	62,528	—	—	62,528
Balance at 31 December 2022		**342**	**2,836,709**	**(352,471)**	**182,508**	**186,409**	**(60,869)**	**2,792,628**

28 CAPITAL AND RESERVES (Continued)

(b) Dividends

The board of directors of the Company has resolved not to declare dividend for the year ended 31 December 2022 (2021: Nil).

(c) Shares held for RSU Scheme

Pursuant to a resolution passed by the Board on 25 January 2019, the Company entered into a trust deed with Vistra Trust (Hong Kong) Limited (the "**RSU Trustee**") to assist with the administration of the RSU Scheme. On 23 August 2022, the Company changed its trustee to Tricor Trust (Hong Kong) Limited (the "**RSU Trustee**") to assist in the administration of the future RSU scheme. In 2022, the Company directed Futureshare 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	Lowest Price paid Per share	Aggregate price paid
		RMB	*RMB*	*RMB'000*
Jan-22	1,118,800	16.31	13.24	16,730
Feb-22	817,000	16.24	15.04	12,898
Mar-22	1,625,400	15.27	12.07	22,955
Apr-22	1,353,400	14.75	10.79	16,715
May-22	1,456,000	12.82	11.02	16,876
Jun-22	703,600	10.46	8.07	6,156
Jul-22	1,031,600	8.70	8.06	8,730
Aug-22	1,421,600	9.61	8.18	12,797
Sep-22	1,366,429	8.87	6.16	11,624
Oct-22	1,339,800	6.99	5.42	8,273
Nov-22	1,469,600	8.00	6.23	10,432
Dec-22	565,000	9.02	7.46	4,788

As at 31 December 2022, the RSU Trustee hold 27,494,200 (2021: 14,464,040) shares of the Company.

28 CAPITAL AND RESERVES (Continued)

(d) Share capital

As at 31 December 2022 and 2021, the authorised share capital of the Company comprises 1,000,000,000 ordinary shares with par value of USD0.0001 per share.

Issued share capital

		2022		2021	
	Note	*No, of shares '000*	*RMB'000*	*No, of shares '000*	*RMB'000*
Ordinary shares, issued and fully paid:					
At 1 January		523,791	341	521,458	340
Shares issued under share option scheme	(i)	988	1	2,333	1
At 31 December		524,779	342	523,791	341

(i) 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 authorised, at their discretion, to invite employees of the Group, to take up options to subscribe for shares of the Group. The options vest after one to four years from the date of grant and are then exercisable within a period of ten years. The options granted to certain employees are only exercisable upon the completion of Company's IPO, which was completed on 29 June 2018. In 2022, certain options were exercised to subscribe for 988,270 ordinary shares with nominal value of USD0.0001 each. The total consideration was RMB2,304 thousand, among which RMB1 thousand of which was credited to share capital and RMB2,303 thousand was credited to share premium.

28 CAPITAL AND RESERVES (Continued)

(e) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises the following:

— The portion of the grant date fair value of share options and RSU granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(s)(ii);

(ii) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currency other than the RMB which are dealt with in accordance with the accounting policies as set out in note 2(w).

(iii) Share premium

The share premium represents the difference between the par value and the proceeds from the issuance of the shares of the Company. When the share options and RSUs in the share-base payment are vested, all the related capital reserve recognised before transferred to the share premium.

(f) 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 31 December 2022 was 32.01% (2021: 34.60%).

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents and bank deposits are limited because the counterparties are reputable banks, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group does not provide any other guarantees which would expose the Group to credit risk.

Trade receivables

The Group's 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 therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. The Group does not have significant concentration of debtors as of 31 December 2022 and 2021.

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 take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 30–60 days from the date of invoice. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 December 2022:

	2022		
	Expected loss rate *%*	**Gross carrying amount** *RMB'000*	**Loss allowance** *RMB'000*
Current (not past due)	**4.43%**	**166,583**	**(7,387)**
1–305 days past due	**82.06%**	**8,551**	**(7,017)**
More than 305 days past due	**100.00%**	**77,852**	**(77,852)**
		252,986	**(92,256)**

	2021		
	Expected loss rate *%*	Gross carrying amount *RMB'000*	Loss allowance *RMB'000*
Current (not past due)	6.26%	97,674	(6,118)
1–305 days past due	59.38%	4,883	(2,900)
More than 305 days past due	100.00%	69,463	(69,463)
		172,020	(78,481)

The Group determined the expected loss rates of trade receivables based on actual loss experience over past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group assesses the credit loss of other receivable based on the expectation of future economic conditions, historical collection experience and the possibility of default on an individual basis.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables and other receivables during the year is as follows:

	2022	2021
	RMB'000	*RMB'000*
Balance at 1 January	**106,041**	100,387
Amounts written off	**(1,521)**	(9,141)
Credit losses recognised during the year	**21,508**	14,795
Balance at 31 December	**126,028**	106,041

Increase in aging of trade receivables resulted in an increase in loss allowance during 2022.

(b) 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. The Group's policy is to regularly monitor its liquidity requirements and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual) and the earliest date the Group can be required to pay:

	2022 Contractual undiscounted cash outflows				
	With 1 year or on demand	More than one year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 Dec
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	**542,658**	**—**	**—**	**542,658**	**542,658**
Interest-bearing borrowing	**9,044**	**—**	**—**	**9,044**	**8,710**
Lease liabilities	**66,423**	**55,268**	**62,062**	**183,753**	**169,455**
	618,125	**55,268**	**62,062**	**735,455**	**720,823**

	2021 Contractual undiscounted cash outflows				
	With 1 year or on demand	More than one year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 Dec
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	495,541	—	—	495,541	495,541
Lease liabilities	68,624	43,172	46,997	158,793	146,928
	564,165	43,172	46,997	654,334	642,469

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Currency risk

The Group is exposed to currency risk primarily through deposit on bank which gives rise to cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of deposits denominated in foreign currencies, the Group ensures that the exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	2022 United States Dollars	2021 United States Dollars
Cash and cash equivalents	**5,765**	7,496
Time deposits with banks	**362,159**	336,637
Gross exposure arising from recognised assets and liabilities	**367,924**	344,133

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Currency risk (Continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's results after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2022		2021	
	Increase/ (decrease) in foreign exchange rates	**Increase/ (decrease) in profit after tax and retained profits** ***RMB'000***	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and retained profits *RMB'000*
USD	**10%**	**27,594**	10%	25,810
	(10%)	**(27,594)**	(10%)	(25,810)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' results after tax and retained profits measured in the respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement

Financial assets measured at fair value

Fair value hierarchy

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

— level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

— level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

— level 3 valuations: Fair value measured using significant unobservable inputs

The fair value measurements of the Group's investments in wealth management products are categorised into Level 2, unlisted equity securities are categorised into Level 3 in the fair value hierarchy. Valuation reports with analysis of changes in fair value measurement is prepared for material equity security investments and is reviewed and approved by the chief financial officer.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement (Continued)

Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2022 categorised into				Fair value measurements as at 31 December 2021 categorised into			
	Fair value at 31 December 2022 *RMB'000*	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Fair value at 31 December 2021 *RMB'000*	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*
Recurring fair value measurements								
Assets:								
— Investment in wealth management products *(note 21)*	756,563	–	756,563	–	831,114	–	831,114	–
— Unlisted equity securities *(note 17)*	195,479	–	–	195,479	178,699	–	–	178,699

During the years of 2021 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Investments in wealth management products are measured at fair values in the consolidated statement of financial position. The Group categorised all fair value measures of bank financial products as Level 2 of the fair value hierarchy because they are valued using directly or indirectly observable inputs in the market place.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement (Continued)

Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

Information about Level 3 fair value measurements:

	Valuation techniques	Significant unobservable inputs	Range	Weighted average
Unlisted equity securities	Market approach/ Income approach	Discount for lack of marketability	15% to 25%	21%

The fair value of unlisted equity securities is determined using the total equity value of unlisted equity securities adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2022, it is estimated that with all other variables held constant, a discount for lack of marketability by 1% would have decreased the total equity value by RMB932 thousand.

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

	2022 *RMB'000*	2021 *RMB'000*
Unlisted equity securities:		
At 1 January	**178,699**	141,414
Purchase consideration	**56,500**	42,468
Exchange differences	**3,425**	(1,224)
Loss on fair value changes	**(43,145)**	(3,959)
At 31 December	**195,479**	178,699

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group's directors as disclosed in note 9(a) and certain of the highest five paid employees as disclosed in note 9(b) is as follows:

	2022 *RMB'000*	2021 *RMB'000*
Salaries, wages and other benefits	14,172	13,913
Contributions to defined contribution retirement	352	347
Share-based compensation expenses	9,887	5,474
	24,411	19,734

Total remuneration is included in "staff costs" (see note 6(a)).

(b) Financing arrangements

		Amounts due from related parties As at 31 December	
	Note	2022 *RMB'000*	2021 *RMB'000*
Loan to a member of key management personnel	(i)	2,237	2,008
Loans to investment company	(ii)	—	5,000
Other receivable proceeds from shares issued under share option		—	7,093

(i) The Group made the loan to Mr. Chen Xingmao in accordance with the Executive Loan Benefits Program, amounting to HKD2.3 million with an annual interest rate of 2%, mortgaged by his real estate. The term of loan was from 31 May 2020 to 30 May 2021 and has been extended to May 2023.

(ii) The Group made the loan to Hebei Lepin Human Resources Service Co., Ltd. ("**Hebei Lepin**") under the loan agreements signed between the two parties, amounting to RMB5 million. The term of the loan was from 3 June 2019 to 2 June 2020 and has been extended to 2 June 2023. During the extension period, the loans were unsecured with interest rate 10% per annum. The Group also 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.

Due to the continuing losses of Hebei Lepin, the Group recorded full impairment for above loan, the fair value of the equity securities investment reduced by RMB7.6 million in 2022 and was RMB0 as at 31 December 2022.

31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	31 December 2022 RMB'000	31 December 2021 RMB'000
Non-current assets		
Investments in subsidiaries	2,577,010	2,549,655
Other financial assets	27,858	44,942
	2,604,868	2,594,597
Current assets		
Prepayments and other receivables	3,423	14,135
Cash and cash equivalents	213,632	40,117
	217,055	54,252
Current liabilities		
Trade and other payables	29,295	25,599
	29,295	25,599
Net current assets	187,760	28,653
Total assets less current liabilities	2,792,628	2,623,250
NET ASSETS	2,792,628	2,623,250
Share capital	342	341
Reserves	2,792,286	2,622,909
TOTAL EQUITY	2,792,628	2,623,250

32 COMMITMENTS

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

(Expressed in RMB unless otherwise indicated)

33 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

From the end of the reporting period to the date of publication of this report, the Group has no material subsequent events.

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2022

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
IFRS 17，*Insurance contracts*	1 January 2023
Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*	1 January 2024
Amendments to IAS 1, *Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*	1 January 2023
Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*	1 January 2023
Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

PARTICULARS OF PROPERTY HELD FOR INVESTMENT

Location	Exiting Use	Lease term	Attributable interest of the Group
8/F, Block 2, Zhubang 2000 Business Building, No. 99 Balizhuangxili Road Sub-District Office (Township), Chaoyang District (County), Beijing	Commercial	Medium lease	100%

FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial information and financial statements is set out below.

	Year ended 31 December				
	2022	2021	2020	2019	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	**2,637,921**	2,651,468	1,869,668	1,513,474	1,225,308
Profit/(loss) from operations	**85,336**	230,706	145,800	131,800	(5,658)
Net finance income/(cost)	**21,998**	(17,297)	(38,252)	1,895	16,807
Profit before tax	**107,677**	214,563	108,000	141,306	10,189
Income tax expense	**(18,090)**	(23,134)	(15,177)	(14,678)	(7,446)
Profit for the year	**89,587**	191,429	92,823	126,628	2,743
Profit for the year attributable to:					
Equity shareholders of the Company	**44,367**	134,425	53,627	120,353	7,737
Non-controlling interests	**45,220**	57,004	39,196	6,275	(4,994)
	89,587	191,429	92,823	126,628	2,743
ASSETS, LIABILITIES AND EQUITY					
Total assets	**4,924,210**	4,885,924	4,450,061	4,187,141	3,623,577
Total liabilities	**1,578,048**	1,690,493	1,407,477	1,108,877	796,059
Net assets	**3,346,162**	3,195,431	3,042,584	3,078,264	2,827,518
Total equity attributable to equity shareholders of the Company	**3,074,440**	2,982,564	2,874,560	2,969,385	2,828,695
Non-controlling interests	**271,722**	212,867	168,024	108,879	(1,177)
Total equity	**3,346,162**	3,195,431	3,042,584	3,078,264	2,827,518