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Tongdao Liepin Group
同道獵聘集團

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board of directors (the "**Board**") of Tongdao Liepin Group (the "**Company**" or "**our Company**") is pleased to announce the unaudited consolidated interim financial results of the Company and its subsidiaries (together, "**Liepin Group**", the "**Group**", "**we**" or "**us**") for the six months ended 30 June 2022, together with comparative figures for the six months ended 30 June 2021.

FINANCIAL HIGHLIGHTS OF THE GROUP

- Revenue primarily generated from providing talent acquisition and other HR services to our business customers and providing talent development services to individual users was RMB1,371.6 million for the six months ended 30 June 2022, a 14.4% increase from RMB1,198.5 million for the six months ended 30 June 2021.

- Gross profit was RMB1,084.6 million for the six months ended 30 June 2022, a 13.7% increase from a gross profit of RMB953.6 million for the six months ended 30 June 2021.

- Net profit was RMB184.4 million for the six months ended 30 June 2022, a 131.2% increase from RMB79.8 million for the six months ended 30 June 2021. Net profit attributable to the owners of the Company was RMB142.2 million for the six months ended 30 June 2022, a 166.0% increase from RMB53.4 million for the six months ended 30 June 2021.

- Non-GAAP operating profit of the Company (excluding share-based compensation expenses and amortization of intangible assets resulting from acquisition) was RMB242.8 million for the six months ended 30 June 2022, a 45.8% increase from RMB166.5 million for the six months ended 30 June 2021. Non-GAAP operating profit margin was 17.7% for the six months ended 30 June 2022.

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

	For the three months ended 30 June		For the six months ended 30 June	
	2022	2021	**2022**	2021
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	**722,981**	675,461	**1,371,630**	1,198,476
Gross profit	**564,963**	536,524	**1,084,614**	953,572
Net profit	**171,217**	76,789	**184,392**	79,753
Net profit attributable to the owners of the Company	**145,892**	61,298	**142,172**	53,439
Non-GAAP Profit from Operations	**186,644**	129,511	**242,762**	166,519

MARKET REVIEW

PRC Talent Acquisition and Other HR Services Market

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

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

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

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

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

PRC Talent Development Services Market

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

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

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

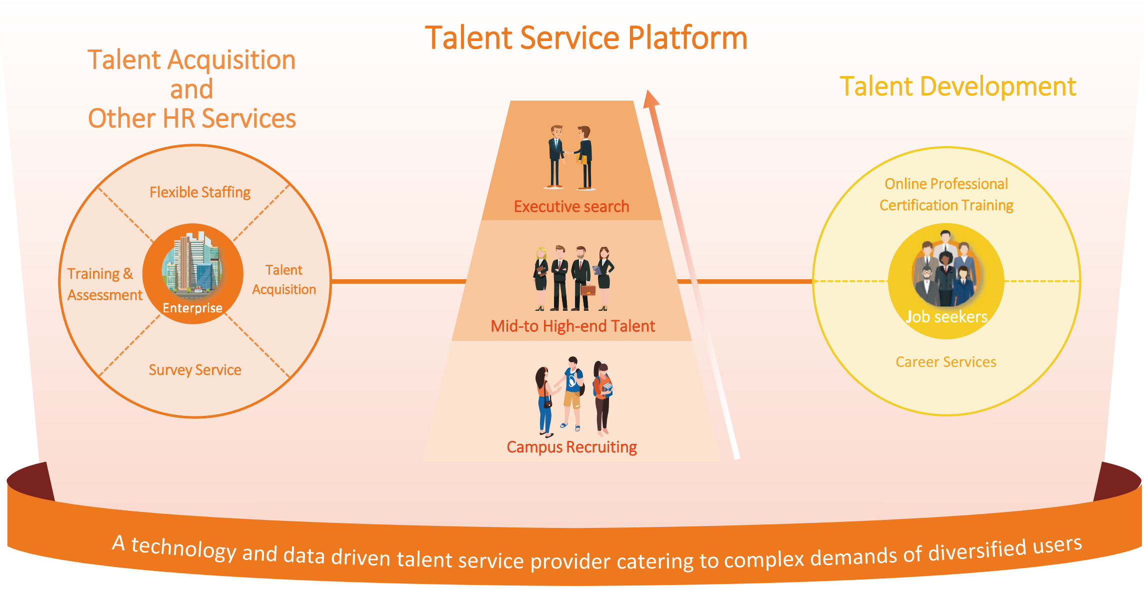
BUSINESS REVIEW

Overall Performance and Highlights

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

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

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



Talent Acquisition Services

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

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

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

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

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

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

Other HR Services

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

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

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

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

Talent Development

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

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

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

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

FUTURE OUTLOOK AND STRATEGIES

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

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

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

Impact of the COVID-19 Pandemic

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

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2022, as follows:

Consolidated Statement of Profit or Loss
for the six months ended 30 June 2022 — unaudited
(Expressed in RMB)

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

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

Consolidated Statement of Financial Position

at 30 June 2022 — unaudited

(Expressed in RMB)

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

Consolidated Statement of Financial Position
at 30 June 2022 — unaudited (continued)
(Expressed in RMB)

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

Condensed Consolidated Statement of Cash Flows

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Operating activities		
Cash generated from operations	**4,423**	169,989
Tax paid	**(31,491)**	(26,454)
Net cash (used in)/generated from operating activities	**(27,068)**	143,535
Investing activities		
Proceeds from maturity of wealth management products	**832,970**	481,217
Payment for the purchase of property, plant and equipment, and intangible assets	**(9,267)**	(9,549)
Payment for the purchase of equity securities	**(28,000)**	(11,000)
Payment for business acquisitions net of cash acquired	**(8,050)**	(54,237)
Payment for the purchase of wealth management products	**(682,500)**	(579,600)
Other cash flows arising from investing activities	**(33,894)**	(78,895)
Net cash generated from/(used in) investing activities	**71,259**	(252,064)

Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2022 — unaudited (continued)
(Expressed in RMB)

		Six months ended 30 June	
		2022	2021
	Note	***RMB'000***	*RMB'000*
Financing activities			
Proceeds from interest-bearing borrowings		**33,000**	3,000
Repayments of interest-bearing borrowings		**(22,002)**	—
Shares held for RSU scheme		**(97,739)**	(37,151)
Interest element of lease rentals paid		**(3,249)**	(3,409)
Capital element of lease rentals paid		**(36,676)**	(28,719)
Other cash flows arising from financing activities		**(9,540)**	1,889
Net cash used in financing activities		**(136,206)**	(64,390)
Net decrease in cash and cash equivalents		**(92,015)**	(172,919)
Cash and cash equivalents at 1 January		**495,778**	516,944
Effect of foreign exchanges rates changes		**2,727**	2,702
Cash and cash equivalents at 30 June	*11*	**406,490**	346,727

1 Basis of preparation

This interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the IASB. It was authorised for issue on 19 August 2022.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim results announcement contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs. The interim results are unaudited.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial statements as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

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

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

3 Revenue

Disaggregation of revenue

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

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

The Group's customer base is diversified. There was no customer with whom transactions have exceeded 10% of the Group's revenue during the six months ended 30 June 2021 and 2022.

The Group's operations, assets and most of the customers are located in the PRC. Accordingly, no geographic information is presented.

4 Other income

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Interest income from bank deposits	**14,954**	17,804
Investment income from wealth management products	**12,906**	5,269
Government grant	**23,180**	6,845
Additional deduction for value added tax	**4,955**	3,692
Dividend income	**6,157**	—
Others	**632**	680
	62,784	34,290

5 Profit before taxation

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
(a) Net finance income/(cost)		
Interest on bank loans and other borrowings	**(691)**	(39)
Interest on lease liabilities	**(3,249)**	(3,409)
Foreign currency exchange gain/(loss)	**17,009**	(3,144)
Bank charges and other finance costs	**(878)**	(894)
	12,191	(7,486)

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*

(b) ***Other items***

Depreciation charge		
— owned property, plant and equipment and investment properties	**11,604**	9,274
— right-of-use assets	**34,175**	29,182
Amortization of intangible assets	**25,908**	26,915
Expected credit losses of trade receivables and other receivables	**9,827**	802
Operating lease charge	**4,252**	5,074
Auditors' remuneration — Audit service	**3,165**	3,022

6 Income tax

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

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

7 Earnings per share

(a) ***Basic earnings per share***

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of RMB142,172 thousand (six months ended 30 June 2021: RMB53,439 thousand) and the weighted average of 504,934,887 ordinary shares (2021: 510,927,701) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of RMB142,172 thousand (six months ended 30 June 2021: RMB53,439 thousand) and the weighted average number of ordinary shares of 507,796,833 (2021: 516,647,679).

8 Investment properties and property, plant and equipment

(a) Right-of-use assets

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

(b) Acquisitions and disposals of owned assets

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

9 Trade receivables

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

Ageing analysis

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

	At 30 June 2022 *RMB'000*	At 31 December 2021 *RMB'000*
Within 60 days	**177,962**	91,556
60 days to 1 year	**1,748**	1,983
	179,710	93,539

10 Prepayments and other receivables

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

11 Cash and cash equivalents

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

12 Trade and other payables

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

Ageing analysis

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

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

13 Dividends

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

FINANCIAL REVIEW

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

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

Revenue

Our revenue was RMB1,371.6 million for the six months ended 30 June 2022, a 14.4% increase from RMB1,198.5 million for the six months ended 30 June 2021, which was primarily due to (i) the increase of average revenue per user, driven by up-sell and cross-sell opportunities brought by high-quality customers' diverse demands, and our well-rounded product layout; and (ii) the increase in the number of paying customers, driven by resilient business model, the improvement of online talent service penetration and brand recognition. During the period under review, approximately 87.6% of our revenue was generated from providing talent acquisition and other HR services to our business users, primarily in the forms of (1) customized subscription packages that include various talent services charging various fixed rates; and (2) transaction-based talent acquisition services that charge a fixed rate based on the offered annual salary of a particular job upon completion of certain hiring milestones. We generated 12.3% of our revenues by providing talent development services to individual users, such as premium membership services, career coaching, CV advisory and certification training services. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

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

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

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

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

Cost of Revenue

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

Gross Profit and Gross Profit Margin

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

Sales and Marketing Expenses

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

General and Administrative Expenses

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

Research and Development Expenses

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

Other Income

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

Profit from Operations

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

Net Finance Income/(Cost)

Net finance income/(cost) primarily consists of interest expenses on bank loans and other borrowings, interest on lease liabilities rising from the adoption of IFRS 16, bank charges and foreign currency exchange gain due to fluctuation of USD against RMB. Our net finance income was RMB12.2 million for the six months ended 30 June 2022, compared to a net finance cost of RMB7.5 million for the six months ended 30 June 2021, primarily as a result of the increase in foreign currency exchange gain due to appreciation of USD against RMB.

Profit before Taxation

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

Income Tax

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

Profit for the Period

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

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

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

Revenue

Our revenue was RMB723.0 million for the three months ended 30 June 2022, a 7.0% increase from RMB675.5 million for the three months ended 30 June 2021, which was primarily due to (i) the increase of average revenue per user, driven by up-sell and cross-sell opportunities brought by high-quality customers' diverse demands and our well-rounded product layout; and (ii) the increase in the number of paying customers, driven by resilient business model, the improvement of online talent service penetration and brand recognition. During the period under review, approximately 90.0% of our revenue was generated from providing talent acquisition and other HR services to our business users, primarily in the forms of (1) customized subscription packages that include various talent services charging various fixed rates; and (2) transaction-based talent acquisition services that charge a fixed rate based on the offered annual salary of a particular job upon completion of certain hiring milestones. We generated 9.9% of our revenues by providing talent development services to individual users, such as premium membership services, career coaching, CV advisory and certification training services. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

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

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

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

Cost of Revenue

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

Gross Profit and Gross Profit Margin

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

Sales and Marketing Expenses

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

General and Administrative Expenses

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

Research and Development Expenses

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

Other Income

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

Profit from Operations

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

Net Finance Income/(Cost)

Net finance income/(cost) primarily consists of interest expenses on bank loans and other borrowings, interest on lease liabilities rising from the adoption of IFRS 16, bank charges and foreign currency exchange gain due to fluctuation of USD against RMB. Our net finance income was RMB16.0 million for the three months ended 30 June 2022, compared to a net finance cost of RMB8.0 million for the three months ended 30 June 2021, primarily as a result of the increase in foreign currency exchange gain due to the appreciation of USD against RMB.

Profit before Taxation

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

Income Tax

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

Profit for the Period

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

Non-GAAP Financial Measures

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

These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with the IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies. The Company's management believes that these non-GAAP financial measures provide investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain non-cash items and one-off expenses.

	For the three months ended 30 June			
	2022		2021	
	Amount (unaudited) *RMB'000*	**As a percentage of revenue**	Amount (unaudited) *RMB'000*	As a percentage of revenue
Profit from Operations	**152,428**	21.1%	83,665	12.4%
Share-based compensation expenses	**22,045**		33,675	
Amortization of intangible assets resulting from acquisition	**12,171**		12,171	
Non-GAAP Profit from Operations	**186,644**	25.8%	129,511	19.2%

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

LIQUIDITY AND FINANCIAL RESOURCES

We expect our liquidity requirements will be satisfied by a combination of cash generated from operating activities, investing activities and the net proceeds from the initial public offering. We currently do not have any plan for material additional external debt or equity financing. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

We had cash and cash equivalents of RMB406.5 million and RMB346.7 million as of 30 June 2022 and 30 June 2021, respectively. Our cash and cash equivalents are held in RMB, HKD and USD. The following table sets forth our cash flows for the periods indicated:

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

Net Cash (Used in)/Generated from Operating Activities

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

Net Cash Generated from/(Used in) Investing Activities

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

Net Cash Used in Financing Activities

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

GEARING RATIO

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

The Board and the Audit Committee constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

LOANS AND BORROWINGS

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

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

CONTINGENT LIABILITIES

As of 30 June 2022, we did not have any material contingent liabilities.

FOREIGN EXCHANGE RISK

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

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

CREDIT RISK

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

Bank deposits are placed with reputable banks and financial institutions.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and to take into account information specific to the customers as well as pertaining to the economic environment in which the customer operates. The Group does not normally obtain collateral from customers.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and hence significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. We did not have significant concentration of debtors as of 30 June 2022.

LIQUIDITY RISK

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

SIGNIFICANT INVESTMENTS HELD

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

PLEDGE OF ASSETS/CHARGE ON ASSETS

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

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

MATERIAL ACQUISITIONS AND DISPOSALS

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

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company were approximately HKD2,804.6 million. HKD2,457.4 million out of the net proceeds have been utilized as of 30 June 2022 in the manner consistent with that disclosed in the Prospectus dated 19 June 2018 under the section headed "Future Plans and Use of Proceeds". As at 30 June 2022, the unutilized net proceeds was in the amount of approximately HKD347.2 million.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

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

We do not have a separate chairman and chief executive officer and Mr. Dai Kebin currently performs these two roles. While this constitutes a deviation from the Code Provision C.2.1 of the CG Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors and that our Board comprises three independent non-executive Directors out of seven Directors, and we believe there is sufficient check and balance in our Board; (ii) Mr. Dai

Kebin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both our Board and senior management levels. Finally, as Mr. Dai Kebin is our principal founder, our Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for and communication within our Group. Our Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the six months ended 30 June 2022.

Audit Committee

The Audit Committee has three members (comprising two independent non-executive Directors), being Mr. Choi Onward (chairman), Mr. Ye Yaming and Mr. Zuo Lingye, with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and risk management systems and financial reporting with the management, including the review of the unaudited consolidated interim financial results of the Group for the six months ended 30 June 2022. The Audit Committee has reviewed and considered that the interim financial results for the six months ended 30 June 2022 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2022.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

Save as disclosed above, from 1 July 2022 up to the date of this announcement, there are no other significant events occurred after the Reporting Period that may affect the Group.

INTERIM DIVIDEND

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (ir.liepin.com).

The interim report of the Company for the six months ended 30 June 2022 containing all the information required by Appendix 16 of the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

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

"Audit Committee"	the audit committee of our Company
"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
"Company", "our Company", or "the Company"	Tongdao Liepin Group (stock code: 6100), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 30 January 2018, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"Director(s)"	the director(s) of our Company
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HR"	Human Resources
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"IFRS"	International Finance Reporting Standards, amendments and interpretations, as issued by the IASB
"Individual paying users"	the individual users that have previously subscribed for the Company's premium membership services or CV advisory services at least once as of a given date

"Individual users"	the individual users that have completed all required registration and verification procedures for our talent development services to the Group's satisfaction
"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
"Liepin Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"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
"Prospectus"	the prospectus of the Company, dated 19 June 2018, in relation to its global offering
"R&D"	research and development
"Registered individual users"	the individual users that have completed all required registration and verification procedures to the Company's satisfaction, which include both individual paying users and individual non-paying users as of a given date
"Reporting Period"	the six months ended 30 June 2022
"RMB"	Renminbi, the lawful currency of PRC
"SaaS"	software-as-a-solution, which refers to the Company's talent services delivery model where the Company hosts a range of proprietary software solutions and provides them to the Company's registered individual users, verified business users and verified headhunters over the internet

"Talent services"	talent acquisition services, other HR services, and professional career services provided to business users and individual users, as the case may be
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"Verified business users"	all business users that have completed all required registration and verification procedures to the Company's satisfaction, which include both business customers and non-paying business users who do not have active contracts with the Company as of a given date
"Verified headhunters"	the headhunters that have completed all required registration and verification procedures to the Company's satisfaction

By Order of the Board
Tongdao Liepin Group
Dai Kebin
Chairman

PRC, 19 August 2022

As at the date of this announcement, the Board of Directors of the Company comprises Mr. DAI Kebin and Mr. CHEN Xingmao as executive Directors, Mr. SHAO Yibo and Mr. ZUO Lingye as non-executive Directors, and Mr. YE Yaming, Mr. ZHANG Ximeng and Mr. CHOI Onward as independent non-executive Directors.