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Tongdao Liepin Group

同道獵聘集團

(formerly known as Wise Talent Information Technology Co., Ltd 有才天下信息技術有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6100)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board of directors (the “**Board**”) of Tongdao Liepin Group (formerly known as Wise Talent Information Technology Co., Ltd) (the “**Company**”) is pleased to announce the unaudited consolidated interim financial results of the Company and its subsidiaries (together, the “**Group**”, “**we**” or “**us**”) for the six months ended 30 June 2020, together with comparative figures for the six months ended 30 June 2019.

FINANCIAL HIGHLIGHTS OF THE GROUP

- Revenue from providing talent services to our business customers and providing professional career services was RMB808.1 million for the six months ended 30 June 2020, a 13.4% increase from RMB712.4 million for the six months ended 30 June 2019.
- Gross profit was RMB646.1 million for the six months ended 30 June 2020, a 13.3% increase from a gross profit of RMB570.5 million for the six months ended 30 June 2019.
- Net profit was RMB66.7 million for the six months ended 30 June 2020, a 5.3% decrease from a net profit of RMB70.4 million for the six months ended 30 June 2019.
- Net profit attributable to the owners of the Company was RMB34.0 million for the six months ended 30 June 2020, a 49.7% decrease from a net profit attributable to the owners of the Company of RMB67.6 million for the six months ended 30 June 2019.

- Non-GAAP operating profit of the Company (excluding share-based compensation expenses and amortization of intangible assets resulting from acquisition) was RMB114.4 million for the six months ended 30 June 2020, a 42.6% increase from RMB80.2 million for the six months ended 30 June 2019.
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2020 to the shareholders of the Company.

MARKET REVIEW

PRC Human Resource Services Market

During the first half of 2020, the outbreak of the contagious coronavirus (COVID-19) pandemic has severely hindered the macro-economic growth and brought uncertainties to business operation and hiring sentiment. While we did not observe a clear trend of significant decreasing hiring demand, we noticed that there were delays in hiring activities in many enterprises and we observed higher demands for replacement hiring as compared to the increase in headcount during the first half of 2020. Since the second quarter of 2020, the economic condition has gradually improved and we expect that the impact brought by COVID-19 will gradually be alleviated in the upcoming months. Moreover, to drive a long-term economic transformation, it is essential for the government and enterprises to continuously invest in talent upgrade and human capital management. Therefore, we expect that there will be a sustainable expansion in terms of the size of human resource services market in China.

The PRC Professional Career Services Market

The PRC professional career services market in China mainly addresses professionals' increasing urge for career development and advancement. This market primarily encompasses career coaching, CV advisory services, professional skill training and other related career services. The demand for professional career services was not materially impacted by COVID-19. The increasing urge for career development for high-quality talents and their increasing willingness to pay for career services are key drivers of the growth in market size. Therefore, the market size is expected to grow over the years.

BUSINESS REVIEW

Overall Performance and Highlights

As a pioneer of online talent services platform in China, we achieved a solid growth during the first half of 2020, which was mainly attributable to our technology-driven product offering. For the six months ended 30 June 2020, our revenue and gross profit amounted to RMB808.1 million and RMB646.1 million, respectively, representing a year-on-year increase of 13.4% and 13.3%, respectively. Despite the serious adverse impact the COVID-19 have had on the economy and enterprises, we navigated well amid challenges and delivered a solid result with our long-term growth strategy and effective execution. In the first half of 2020, we continued to actively penetrate the talent service market with our core platform. The number of our verified business users increased from 559,568 as of 31 December 2019 to 625,546 as of 30 June 2020.

On top of the core platform, we leveraged our know-how in online service offering to initiate other new business segments, including campus recruitment, training and assessment, flexible staffing, and survey services. These business initiatives helped us achieve robust growth despite the COVID-19 pandemic.

In the first half of 2020, the individual user traffic of our online platform also grew steadily and reached a record high in June 2020. The number of registered individual users increased from 54.2 million as of 31 December 2019 to 59.2 million as of 30 June 2020.

During the first half of 2020, we continued to leverage on our multi-faceted database and data analytics to empower business growth. Internally, projects have been rolled out to improve talent recommendations and matching efficiency. By optimizing strategies for selecting, filtering and ranking candidates, we successfully increased the accuracy of recommendation and boosted the interactions between job seekers, business customers and headhunters.

Externally, our Galaxy Data Visualization Center, which generates dynamic in-depth dashboard of our talent database and presents our wide talent coverage, plays an important role in our business development and acquisition of key account customers. Analysis of our talent pool, for instance, geographical and salary distribution of talents, and talent portraits across industries, has been presented to our business partners and target business customers to help them visualize the quality and comprehensiveness of our database.

Talent Business

Leveraging our deep understanding of talents, we foster technology- and data-driven platform which provides individual users, business users and headhunters with access to a variety of human resources services. *Liepin* (獵聘, which literally means headhunting and recruiting), our mid-to high-end talent platform, is still the foundation of our business and future growth strategy. Business customers can subscribe to our annual data package services, and also purchase our closed-loop talent services as needed. For the six months ended 30 June 2020, the revenue generated from talent services to business users was RMB762.7 million (compared with RMB674.0 million generated during the same period in 2019). The number of our verified business users increased significantly from 559,568 as of 31 December 2019 to 625,546 as of 30 June 2020.

Meanwhile, as a leading human resource services provider, we are mindful of our social responsibility and we have a strong commitment to serve as a bridge to connect the supply and demand sides in the talent service market by leveraging our technology. During the first half of 2020, we collaborated with the Ministry of Human Resources and Social Security to host online job fairs to help our business customers identify suitable talents and to help alleviate the concern of unemployment among talents. Job fairs dedicated to small and medium enterprises (“SMEs”) have been organized to help our SME clients improve recruitment efficiency while reducing hiring costs.

Other New Business Initiatives

Our video-based talent platform *Duomian* (多面) served as a handy tool for posting vacancies and conducting interviews for entry-level recruitment. Video job descriptions from business users as well as short videos of self-introduction or answers to default questions are encouraged so that candidates can better present themselves, especially their personality, soft skills, and their characters, in a more natural way. The online interview feature allows multiple interviewers to jointly assess the candidate and collect feedback respectively. Reports are generated automatically based on interviewers’ feedback and artificial intelligence analysis which takes aptitudes, confidence level and behavioral science into account. *Duomian* platform was very well received by our individual users and business customers for conducting online interviews during the first half of 2020.

Our flexible staffing platform, *Xunhou* (勳厚), became an essential solution for many of our business customers to cope with the fluctuation of staffing demand in combat with COVID-19. Our “Employee Sharing Program” successfully addressed different demands of labor for various customers and minimized the impact of unemployment and underemployment during the difficult times.

Wenjuanxing (問卷星), which we strategically invested in during the second half of 2019, generated robust growth in the first half of 2020. As the leading survey SaaS platform in China, *Wenjuanxing* became an important channel for companies, schools, healthcare institutions, government and communities to collect information of health conditions and travel history in China while we are combating COVID-19. In addition, it assisted Chinese Academy of Labor and Social Security to conduct social survey on the impacts of COVID-19. As a result, *Wenjuanxing* achieved great results in user acquisition and its traffic hit a record high during the first half of 2020.

Our proprietary assessment and training app and SaaS platform, *Lebanban* (樂班班), was adopted by many of our business customers to conduct online training and performance evaluation over the period of remote working during the first half of 2020. This innovative product can provide video-based training, such as leadership training and courses for professional skillset to employees. Direct managers and human resources departments can assign training schedule, conduct assessment questionnaires, and track the completion status of employee training.

Talent Pool

Leveraging on our talent networks and AI technology, we have mapped out a comprehensive and expanding talent graph and accumulated data insights that are difficult to replicate. Our talent database accumulates a vast and growing amount of rich, up-to-date and relevant information of job candidates. Such information reflects individual users' profiles, behaviors and social interactions, mutual endorsement, variation and transactions. The networking and social functions of our online professional community enable us to capture users' behavioral data. We collected and analyzed user-generated data to model and predict user intentions and behaviors.

The number of registered individual users increased from 54.2 million as of 31 December 2019 to 59.2 million as of 30 June 2020. Our traffic reached a record high in June 2020. We observed a strong level of activeness among our individual users and the level of engagement of our registered individual users continued to grow steadily.

We offered paid value-added services to our individual users who require career services from us in addition to the free basic services. We offered premium membership packages under different pricing plans. Moreover, CV advisory services, *Career Advisory Services* (生涯諮詢) and *Professional Skills Training* (面試教練) were provided at affordable prices and on a large scale to help our individual users pursue their ideal jobs. We generated RMB43.8 million of revenue from individual users in the first half of 2020 (compared with RMB37.4 million in the first half of 2019).

	As of 30 June		As of 31 December	
	2020	2019	2019	2018
Individual users				
Number of registered individual users (in millions)	59.2	51.0	54.2	46.9
Number of individual paying users	325,541	225,970	273,744	178,901
Average annual salary of registered individual users (in RMB)	181,061	176,062	179,114	168,341
Number of CVs (in millions)	59.2	51.0	54.2	46.9
Business users and customers				
Number of verified business users	625,546	455,935	559,568	338,658
Number of business customers	53,046	48,915	51,773	48,230
Number of job postings (in millions)	4.5	3.1	5.2	3.9
Headhunters				
Number of verified headhunters	163,883	151,386	158,365	137,031
Number of contacts with registered individual users by our verified headhunters (in millions)	392.1	449.2	851.5	729.0

FUTURE OUTLOOK AND STRATEGIES

Impact of the COVID-19 Outbreak

Our resilient business model and our long-term strategy of building a high-tech human resource services ecosystem facilitated the Group to cope with the negative impacts of COVID-19. We observe a clear trend of our business customers' budgets for mid- to high-end recruitment and a shift from offline to online recruitment. More importantly, with our new initiatives to penetrate human resource service value chain such as flexible staffing, training and assessment and survey services, we are able to diversify our services to neutralize the risk of macro-economic downturn.

In the first quarter of 2020, recruitment activities were severely disrupted due to quarantine policies in different regions, causing some headwinds for our talent business. However, as business activities in China gradually returned to the normal level in the second quarter, we observed that enterprises' confidence level has largely recovered, which uplifted the hiring sentiment as well. We observed many companies started to hire mid-to high-end talents and continued to invest in human capital management.

Another unexpected opportunity during the first half of 2020 is the increasing trend of shifting offline human resource services to online due to quarantine of both enterprises and individual users. Take our video-based platform *Duomian* (多面) as an example, thousands of online interviews have taken place every month through it since its launch in the first quarter. We believe that there will be a trend of sustainable growth in online recruitment, which will also be adopted more pervasively and may change the landscape of the human resource services market profoundly in the near future.

Strategic Update

Since the outbreak of COVID-19, we have adjusted our strategy of the whole Group, which was proven to be effective by the results of the first half of 2020. We plan to stick to the strategies for the rest of the year.

Operational efficiency remains our top priority to drive the growth of our talent business. We will continue to invest in new initiatives of human resource value chains, such as flexible staffing, training and assessment and survey services. We will also continue to explore cross-sale opportunities for different products and strengthen team integration.

With the belief that talent upgrade is the prerequisite for economic structural transformation and industrial advancement, we are confident that there will be huge potential for us to explore in the entire human resource services market in the long run. Therefore, we will invest more aggressively on branding and user acquisition in the second half of 2020. We believe that talent base is the driver for our future growth and a key factor of success for our ecosystem.

We plan to continuously invest in our research and development capabilities to upgrade our core platform and new business initiatives to better cater to current business needs. With the expansion of our online services and more participants in our ecosystem, we plan to further explore our potentials in Big Data and AI analytics to deliver recommendations and matching results more accurately and efficiently. We believe this is the key to improving user experience and generating sustainable organic growth.

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2020, as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2020 – unaudited

(Expressed in RMB)

	Note	Six months ended 30 June	
		2020 RMB'000	2019 RMB'000
Revenue	3	808,103	712,426
Cost of sales		<u>(161,965)</u>	<u>(141,924)</u>
Gross profit		646,138	570,502
Other income	4	46,214	45,856
Sales and marketing expenses		(383,708)	(361,155)
General and administrative expenses		(133,441)	(114,722)
Research and development expenses		<u>(118,157)</u>	<u>(84,977)</u>
Profit from operations		57,046	55,504
Net finance income/(cost)		8,609	(2,317)
Share of profit less loss of associate		<u>411</u>	<u>13,673</u>
Profit before taxation	5	66,066	66,860
Income tax	6	<u>642</u>	<u>3,565</u>
Profit for the period		66,708	70,425
Attributable to:			
Equity shareholders of the company		34,015	67,558
Non-controlling interests		<u>32,693</u>	<u>2,867</u>
Profit for the period		66,708	70,425
Earnings per share	7		
Basic		<u>RMB0.0653</u>	<u>RMB0.1306</u>
Diluted		<u>RMB0.0646</u>	<u>RMB0.1240</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2020 – unaudited (continued)
(Expressed in RMB)

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	66,708	70,425
Other comprehensive income for the period (after tax and reclassification adjustments):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>20,713</u>	<u>4,291</u>
Other comprehensive income for the period	20,713	4,291
Total comprehensive income for the period	<u>87,421</u>	<u>74,716</u>
Attributable to:		
Equity shareholders/owners of the company	<u>54,728</u>	71,849
Non-controlling interests	<u>32,693</u>	<u>2,867</u>
Total comprehensive income for the period	<u>87,421</u>	<u>74,716</u>

Consolidated Statement of Financial Position

at 30 June 2020 – unaudited

(Expressed in RMB)

		At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	8	120,421	139,059
Investment property	8	35,705	36,445
Intangible assets		172,768	192,872
Goodwill		711,184	711,184
Prepaid investment		23,969	27,119
Interest in associates		1,920	1,509
Other financial assets		215,512	143,561
Deferred tax assets		10,523	9,630
Other non-current assets		6,614	7,248
		<u>1,298,616</u>	<u>1,268,627</u>
Current assets			
Trade receivables	9	84,724	68,239
Prepayments and other receivables	10	165,863	115,671
Receivables from related parties		15,327	10,991
Other current assets		60,575	136,865
Time deposits with banks		2,257,454	2,227,592
Cash and cash equivalents	11	418,669	359,156
		<u>3,002,612</u>	<u>2,918,514</u>
Current liabilities			
Trade and other payables	12	160,652	205,540
Contract liabilities		620,204	678,460
Interest-bearing borrowings		196,493	59,000
Lease liabilities		45,731	44,241
Current taxation		18,738	32,897
		<u>1,041,818</u>	<u>1,020,138</u>

Consolidated Statement of Financial Position

at 30 June 2020 – unaudited (continued)

(Expressed in RMB)

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Net current assets	<u>1,960,794</u>	<u>1,898,376</u>
Total assets less current liabilities	3,259,410	3,167,003
Non-current liabilities		
Lease liabilities	38,246	59,747
Deferred tax liabilities	<u>22,564</u>	<u>28,992</u>
	<u>60,810</u>	<u>88,739</u>
NET ASSETS	<u><u>3,198,600</u></u>	<u><u>3,078,264</u></u>
CAPITAL AND RESERVES		
Share capital	340	339
Reserves	<u>3,053,115</u>	<u>2,969,046</u>
Total equity attributable to equity shareholders of the company	3,053,455	2,969,385
Non-controlling interests	<u>145,145</u>	<u>108,879</u>
TOTAL EQUITY	<u><u>3,198,600</u></u>	<u><u>3,078,264</u></u>

Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2020 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Operating activities		
Cash generated from operations	1,565	9,840
Tax paid	(20,614)	(433)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(19,049)	9,407
	<hr/>	<hr/>
Investing activities		
Payment for the purchase of property, plant and equipment, and intangible assets	(8,775)	(12,654)
Other cash flows arising from investing activities	(14,526)	71,638
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(23,301)	58,984
	<hr/>	<hr/>

Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2020 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
		2020	2019
	<i>Note</i>	RMB'000	RMB'000
Financing activities			
Proceeds from interest-bearing borrowings		137,452	—
Other cash flows arising from financing activities		(37,407)	(36,937)
		<hr/>	<hr/>
Net cash generated from/(used in) financing activities		100,045	(36,937)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		57,695	31,454
Cash and cash equivalents at 1 January		359,156	648,331
Effect of foreign exchanges rates changes		1,818	1,680
		<hr/>	<hr/>
Cash and cash equivalents at 30 June	11	418,669	681,465
		<hr/> <hr/>	<hr/> <hr/>

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

1 Basis of preparation

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the IASB. It was authorised for issue on 18 August 2020.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial information 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 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs. The interim financial information is unaudited.

The financial information relating to the financial year ended 31 December 2019 that is included in the interim financial information 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 IFRS 3, Definition of a Business
- Amendment to IFRS 16, COVID-19-Related Rent Concessions

Other than the amendment to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IFRS 3, *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020. The adoption of amendments does not have any material impact on the financial position and the financial result of the Group.

Amendment to IFRS 16, *COVID-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic (“**COVID-19-related rent concessions**”) are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (see note 8(a)). There is no impact on the opening balance of equity at 1 January 2020.

3 Revenue

Disaggregation of revenue

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

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service lines		
— Talent services to business users	762,693	673,972
— Professional career services to individual paying users	43,847	37,373
	<u> </u>	<u> </u>
Revenue from other sources		
Rental income from investment properties	1,563	1,081
	<u> </u>	<u> </u>
	<u>808,103</u>	<u>712,426</u>

The Group's customer base is diverse. There was no customer with whom transactions have exceeded 10% of the Group's revenue during the six months ended 30 June 2019 and 2020.

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	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from bank deposits	37,385	44,251
Investment income from wealth management products	1,946	275
Government grant	6,768	820
Others	115	510
	<u>46,214</u>	<u>45,856</u>

5 Profit before taxation

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

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
(a) <i>Net finance income/(cost)</i>		
Interest expenses on bank loans and other borrowings	(3,187)	—
Interest on lease liabilities	(2,377)	(2,587)
Foreign currency exchange gain	14,998	767
Bank charges and other finance costs	(825)	(497)
	<u>8,609</u>	<u>(2,317)</u>

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
(b) <i>Other items</i>		
Depreciation charge		
— owned property, plant and equipment and investment properties	8,167	7,136
— right-of-use assets	19,453	19,114
Amortization of intangible assets	21,532	1,947
Expected credit losses of trade receivables	21,905	5,471
Operating lease charge	4,605	6,339
Auditors' remuneration — Audit service	2,000	2,000

6 Income tax

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Current tax	(6,680)	3,565
Deferred taxation	7,322	—
	<u>642</u>	<u>3,565</u>

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 RMB34,015 thousand (six months ended 30 June 2019: RMB67,558 thousand) and the weighted average of 521,287,362 ordinary shares (2019: 517,373,221) 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 RMB34,015 thousand (six months ended 30 June 2019: RMB67,558 thousand) and the weighted average number of ordinary shares of 526,192,110 (2019: 544,850,174).

8 Investment properties and property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2020, the Group entered into a number of lease agreements for offices, and therefore recognised the additions to right-of-use assets of RMB2,624 thousand.

During the six months ended 30 June 2020, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of fixed lease payments and variable lease payments for the interim reporting period is summarised below:

	Six months ended 30 June 2020		
	Fixed	COVID-19	Total
	payments	rent	payments
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Right-of-use assets property	24,089	(1,486)	22,603

	Six months ended 30 June 2019		
	Fixed	COVID-19	Total
	payments	rent	payments
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Right-of-use assets property	21,683	—	21,683

As disclosed in note 2, the Group has early adopted the Amendment to IFRS 16, Leases, COVID-19-Related Rent Concessions, and has applied the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the period.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2020, the Group acquired items of office equipment and others with a cost of RMB7,096 thousand (six months ended 30 June 2019: RMB6,911 thousand). Items of Office equipment and others with a net book value of RMB62 thousand were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB4 thousand), resulting in a profit on disposal of RMB8 thousand (six months ended 30 June 2019: a loss on disposal of RMB1 thousand).

9 Trade receivables

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Trade receivables — measured at amortized cost	<u>84,724</u>	<u>68,239</u>

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 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Within 60 days	72,297	47,280
60 days to 1 year	12,427	16,824
Over 1 year	—	4,135
	<u>84,724</u>	<u>68,239</u>

10 Prepayments and other receivables

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Prepayments to suppliers	27,266	19,573
Other receivables	79,352	67,294
Interest receivable	59,245	28,804
	<u>165,863</u>	<u>115,671</u>

11 Cash and cash equivalents

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Demand deposits with banks	<u>418,669</u>	<u>359,156</u>
Cash and cash equivalents	<u><u>418,669</u></u>	<u><u>359,156</u></u>

12 Trade and other payables

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Trade payables to third parties	45,426	33,314
Salary and welfare payable	66,628	113,687
Other tax payables	10,966	17,586
Other payables	<u>37,632</u>	<u>40,953</u>
	<u><u>160,652</u></u>	<u><u>205,540</u></u>

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 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Within 30 days	33,401	31,660
30 days to 1 year	<u>12,025</u>	<u>1,654</u>
	<u><u>45,426</u></u>	<u><u>33,314</u></u>

13 Dividends

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

14 Impacts of COVID-19 Pandemic

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures. These contingency measures include: (1) closely monitoring of the business environment of the Group's customers, and (2) improving the Group's cash position by expediting debtor settlements and negotiating with suppliers on payment terms. The Group will keep the contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the COVID-19 pandemic have had impacts on the measurement of expected credit losses (ECL) and the COVID-19-related rent concessions. The directors of the Company will continuously monitor the development of COVID-19 and assess any significant impacts of COVID-19.

FINANCIAL REVIEW

Revenue

Our revenue was RMB808.1 million for the six months ended 30 June 2020, a 13.4% increase from RMB712.4 million for the six months ended 30 June 2019, which was primarily due to the increase in the number of business customers and average revenue per user. During the period under review, approximately 94.4% of our revenue was generated from providing talent services to our business users, primarily in the forms of (1) customized subscription packages that include various talent services charging various fixed rates, (2) transaction-based talent services that charge a fixed rate based on the offered annual salary of a particular job upon completion of certain hiring milestones, and (3) other talent services. We also generated a small portion of our revenues by providing professional career services to individual paying users, such as premium membership services, career coaching and CV advisory services to our registered individual users. The table below sets forth a breakdown of sources of our revenue for the periods indicated:

	For the six months ended 30 June			
	2020		2019	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	(unaudited)		(unaudited)	
Talent services to business users	762,693	94.4	673,972	94.6
Professional career services to individual paying users	43,847	5.4	37,373	5.2
Rental income from investment properties	1,563	0.2	1,081	0.2
Total	<u>808,103</u>	<u>100</u>	<u>712,426</u>	<u>100</u>

Revenue from talent services to business users was RMB762.7 million for the six months ended 30 June 2020, a 13.2% increase from RMB674.0 million for the six months ended 30 June 2019, primarily due to the increase in the number of business customers and average revenue per user.

Revenue from professional career services to individual paying users was RMB43.8 million for the six months ended 30 June 2020, a 17.1% increase from RMB37.4 million for the six months ended 30 June 2019, primarily due to significant increase in the number of paying registered individual users.

Revenue from rental income was RMB1.6 million for the six months ended 30 June 2020 and RMB1.1 million for the six months ended 30 June 2019.

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 RMB162.0 million for the six months ended 30 June 2020, a 14.2% increase from RMB141.9 million for the six months ended 30 June 2019. The amortization of intangible assets resulting from acquisition was RMB3.3 million in 2020 (2019: Nil). Without taking amortization of intangible assets resulting from acquisition into consideration, the cost of revenue was RMB158.7 million for the six months ended 30 June 2020, a 11.8% increase from RMB141.9 million for the six months ended 30 June 2019. The percentage increase in cost of revenue was lower than the percentage increase in revenue, mainly due to the change of product mix and strict control of project expenses.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Company's gross profit was RMB646.1 million for the six months ended 30 June 2020, a 13.3% increase from RMB570.5 million for the six months ended 30 June 2019. Gross profit margin decreased to 80.0% for the six months ended 30 June 2020 from 80.1% for the six months ended 30 June 2019, which remained relatively stable.

Sales and Marketing Expenses

Our sales and marketing expenses primarily comprised salaries and benefits (including share-based compensation expenses) for sales, sales support and marketing personnel, advertising and promotion expenses and other expenses associated with our sales and marketing activities. Our sales and marketing expenses were RMB383.7 million for the six months ended 30 June 2020, a 6.2% increase from RMB361.2 million for the six months ended 30 June 2019. The share-based compensation expenses were RMB7.0 million (2019: RMB2.9 million), and the amortization of intangible assets resulting from acquisition was RMB16.0 million (2019: Nil). Without taking share-based compensation expenses and amortization of intangible assets resulting from acquisition into consideration, the sales and marketing expenses was RMB360.7 million for the six months ended 30 June 2020 and RMB358.3 million for the six months ended 30 June 2019. The increase was primarily due to the increase of marketing and advertising expenses. Our sales and marketing expenses as a percentage of revenue decreased from 50.7% for the six months ended 30 June 2019 to 47.5% for the six months ended 30 June 2020, which is primarily due to the improvement of operation leverage driven by the increase of sales efficiency of the team.

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 RMB133.4 million for the six months ended 30 June 2020, a 16.3% increase from RMB114.7 million for the six months ended 30 June 2019. The share-based compensation expenses were RMB19.1 million (2019: RMB17.0 million), and the amortization of intangible assets resulting from acquisition was RMB0.02 million (2019: Nil). Without taking share-based compensation expenses and amortization of intangible assets resulting from acquisition into consideration, the general and administrative expenses was RMB114.3 million for the six months ended 30 June 2020 and RMB97.7 million for the six months ended 30 June 2019. The increase was partly attributable to the increase of expected credit losses of trade receivables due to management prudent estimation taking the potential negative impact of COVID-19 into consideration. Our general and administrative expenses as a percentage of revenue increased from 16.1% for the six months ended 30 June 2019 to 16.5% for the six months ended 30 June 2020, which is in line with revenue growth.

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 RMB118.2 million for the six months ended 30 June 2020, a 39.1% increase from RMB85.0 million for the six months ended 30 June 2019. The share-based compensation expenses were RMB12.0 million (2019: RMB4.7 million). Without taking share-based compensation expenses and the amortization of intangible assets resulting from acquisition into consideration, the research and development expenses was RMB106.2 million for the six months ended 30 June 2020 and RMB80.3 million for the six months ended 30 June 2019. In order to seize the significant long-term growth opportunities, we invested aggressively in R&D headcounts and personnel costs. As a percentage of revenue, our R&D expenses increased from 11.9% for the six months ended 30 June 2019 to 14.6% for the six months ended 30 June 2020, primarily as a result of product innovation, upgrade of existing products and integration of the systems developed for those newly acquired subsidiaries.

Other Income

Other income primarily comprised income derived from interest income from bank deposits. Our other income increased by 0.65% from RMB45.9 million for the six months ended 30 June 2019 to RMB46.2 million for the six months ended 30 June 2020, which remained relatively stable.

Profit from Operations

As a result of the foregoing, our profit from operations for the six months ended 30 June 2020 was RMB57.0 million, compared to a profit from operations of RMB55.5 million for the six months ended 30 June 2019.

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 RMB8.6 million for the six months ended 30 June 2020, compared to a net finance cost of RMB2.3 million for the six months ended 30 June 2019, primarily as a result of the fluctuation of foreign currency exchange gain.

Profit before Tax

As a result of the foregoing, profit before tax was RMB66.1 million for the six months ended 30 June 2020 compared to a profit before tax of RMB66.9 million for the six months ended 30 June 2019, which comprised share profit less loss of associate amounted to RMB13.7 million arising from *Xunhou* (勳厚) acquisition.

Income Tax (Credit)

Income tax credit was RMB0.6 million for the six months ended 30 June 2020, compared to income tax credit of RMB3.6 million for the six months ended 30 June 2019.

Profit for the Reporting Period

Profit was RMB66.7 million for the six months ended 30 June 2020, compared to a profit of RMB70.4 million for the six months ended 30 June 2019.

Non-GAAP Financial Measures

To supplement the consolidated results of the Group for the six months ended 30 June 2020 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. Amortization of intangible assets resulting from acquisition has been included in the reconciliation in 2020. The management believes that this item does not relate to the Group's daily business operations.

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.

	For the six months ended	
	30 June	
	2020	2019
	(unaudited)	(unaudited)
	(in RMB'000)	
Profit from Operation	57,046	55,504
Share-based compensation expenses	38,098	24,673
Amortization of intangible assets resulting from acquisition	19,274	—
Non-GAAP Profit from Operation	<u>114,418</u>	<u>80,177</u>

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 RMB681.5 million and RMB418.7 million as of 30 June 2019 and 30 June 2020 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	
	2020	2019
	(unaudited)	(unaudited)
	<i>(in RMB'000)</i>	
Net cash (used in)/generated from operating activities	(19,049)	9,407
Net cash (used in)/generated from investing activities	(23,301)	58,984
Net cash generated from/(used in) financing activities	100,045	(36,937)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	57,695	31,454
Effect of foreign exchange rate changes	1,818	1,680
Cash and cash equivalents at the beginning of the Reporting Period	359,156	648,331
	<hr/>	<hr/>
Cash and cash equivalents at the end of the Reporting Period	<u>418,669</u>	<u>681,465</u>

Net Cash (Used in)/Generated from Operating Activities

For the six months ended 30 June 2020, net cash used in operating activities was RMB19.0 million, compared to net cash generated from operating activities of RMB9.4 million for the six months ended 30 June 2019, primarily due to delays in hiring activities by the outbreak of COVID-19.

Net Cash (Used in)/Generated from Investing Activities

For the six months ended 30 June 2020, net cash used in investing activities was RMB23.3 million, compared to net cash generated from investing activities of RMB59.0 million for the six months ended 30 June 2019, primarily due to the placement of time deposits with banks and the placement of wealth management products.

Net Cash Generated from/(used in) Financing Activities

For the six months ended 30 June 2020, net cash generated from financing activities was RMB100.0 million, compared to net cash used in financing activities of RMB36.9 million for the six months ended 30 June 2019, primarily due to the interest-bearing borrowings.

GEARING RATIO

The gearing ratio (calculated as total bank and other borrowings divided by total assets/capital) of the Company as at 30 June 2020 was 4.57% (30 June 2019: 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.

LOANS AND BORROWINGS

As at 30 June 2020, the Group's total outstanding bank loans amounted to RMB196.5 million (30 June 2019: nil), which were denominated in RMB and USD and repayable within one year.

The bank loan with the principal amount of RMB96.0 million is unsecured, carrying a fixed interest rate of 6% per annum whereas the bank loan with the principal amount of RMB100.0 million is secured, carrying a fixed interest rate of 6.5% per annum.

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

CONTINGENT LIABILITIES

As of 30 June 2020, 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 2020 and 2019, we had foreign currency exchange gain (both realized and unrealized) of RMB15.0 million and RMB0.8 million respectively, recognized as net finance income in the consolidated statement of profit or loss and other comprehensive income. The foreign currency exchange gain for the six months ended 30 June 2020 was mainly attributable to appreciation of USD against RMB.

CREDIT RISK

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

Bank deposits are placed with reputable banks and financial institutions.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and to take into account information specific to the customers as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 60 days from the date of invoice. The Group does not normally obtain collateral from customers.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and hence significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. We did not have significant concentration of debtors as of 30 June 2020.

LIQUIDITY RISK

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

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, there was no significant investment held by the Group as at 30 June 2020.

PLEDGE OF ASSETS/CHARGE ON ASSETS

There was no pledge of the Group's assets as at 30 June 2020.

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 2020.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company were approximately HKD2,804.6 million. HKD1,600.5 million out of the net proceeds have been utilized as of 30 June 2020 in the manner consistent with that disclosed under the section headed “Future Plans and Use of Proceeds” in the Prospectus.

During the year ended 31 December 2019 and the six months ended 30 June 2020, the Group applied the net proceeds for the following purposes:

	Use of proceeds as stated in the Prospectus <i>(in HKD'000)</i> <i>(approximate)</i>	Actual use of proceeds as of 31 December 2019 <i>(in HKD'000)</i> <i>(approximate)</i>	Actual use of proceeds during the six months ended 30 June 2020 <i>(in HKD'000)</i> <i>(approximate)</i>	Net proceeds unutilized during the six months ended 30 June 2020 <i>(in HKD'000)</i> <i>(approximate)</i>	Expected time of use
40% for enhancement of R&D capabilities and product offerings	1,121,840	229,755	334,069	558,016	To be gradually used in 2020 and 2021
25% for pursue of acquisitions of or investments in assets and business and support our growth strategies	701,150	151,776	4,422	544,952	To be gradually used in 2020 and 2021
25% for improvement and implementation our sales and marketing initiative to (i) expand our user and customer base and increase spending by our existing customers; and (ii) continued optimization of our online advertising and promotion activities	701,150	213,694	398,708	88,748	To be gradually used in 2020 and 2021
10% for working capital and general corporate purposes	280,460	51,387	216,668	12,405	To be gradually used in 2020 and 2021
	<u>2,804,600</u>	<u>646,612</u>	<u>953,867</u>	<u>1,204,121</u>	

For the unutilized net proceeds in the amount of approximately HKD1,204.1 million as at 30 June 2020, 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 announcement, as of 30 June 2020, 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 and complied with the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2020 except for the following deviation.

We do not have a separate chairman and chief executive officer and Mr. Dai Kebin currently performs these two roles. While this will constitute a deviation from code provision A.2.1 of the CG Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors and that our Board comprises three independent non-executive Directors out of nine Directors, and we believe there is sufficient check and balance in our Board; (ii) Mr. Dai Kebin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both our Board and senior management levels. Finally, as Mr. Dai Kebin is our principal founder, our Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for and communication within our Group. Our Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

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 2020.

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 2020. The Audit Committee has reviewed and considered that the interim financial results for the six months ended 30 June 2020 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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “**Model Code**”). 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 2020.

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

There were no important events affecting the Company nor any of its subsidiaries since the end of the Reporting Period up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2020 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 (www.liepin.com).

The interim report of the Company for the six months ended 30 June 2020 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 have the following meanings. These terms and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

“AI”	artificial intelligence
“Audit Committee”	the audit committee of our Company
“Average annual salary of registered individual users”	the average annual salary of all registered individual users who have provided to the Company with their salary information, which accounted for a substantial majority of all registered individual users
“Big Data”	big data
“Board”	the board of directors of our Company
“Business customers”	verified business users that have existing contracts with us as of a given date, excluding business customers with trial subscription
“CAGR”	compound annual growth rate

“Company”, “our Company”, or “the Company”	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
“Director(s)”	the director(s) of our Company
“GDP”	Gross Domestic Product
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time
“Headhunter-assisted, closed-loop talent acquisition services”	end-to-end talent acquisition services that are delivered on a one-stop integrated platform, facilitated by headhunters, to business customers
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IAS”	International Accounting Standards
“IASB”	International Accounting Standards Board
“IFRS”	International Finance Reporting Standards, amendments, and interpretations, as issued by the IASB
“Individual paying users”	the individual users that have previously subscribed for the Company’s premium membership services or CV advisory services at least once as of a given date
“Job postings”	active and open positions posted by our verified business users and verified headhunters on our online platform, excluding those that have been removed upon the completion of the hiring process or due to being more than 90 days old
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Mid- to high-end talents”	individual job candidates with an average annual salary of at least RMB100,000
“Number of CVs”	number of professional profiles of registered individual users presented to business customers that typically include at least the name, gender, age, location, contact number, current employer, title, salary and industry of such registered individual users
“Percentage of total number of job postings with an average annual salary of at least RMB100,000”	the number that equals to the total number of job postings with an average annual salary of at least RMB100,000 as of a given date, divided by the total number of job postings as of the same date
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company, dated 19 June 2018, in relation to its global offering
“R&D”	research and development
“Registered individual users”	the individual users that have completed all required registration and verification procedures to the Company’s satisfaction, which include both individual paying users and individual non-paying users as of a given date
“Reporting Period”	the six months ended 30 June 2020
“RMB”	Renminbi, the lawful currency of PRC
“SaaS”	software-as-a-solution, which refers to the Company’s talent services delivery model where the Company hosts a range of proprietary software solutions and provide them to the Company’s registered individual users, verified business users and verified headhunters over the internet
“Talent services”	talent acquisition services and professional career services provided to business users and individual users, as the case may be

“Total number of contacts with individual users by our verified headhunters”	the total number of contacts with individual users by the Company’s verified headhunters through phone calls and messages, as of a given date
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“Verified business users”	all business users that have completed all required registration and verification procedures to the Company’s satisfaction, which include both business customers and non-paying business users who do not have active contracts with the Company as of a given date
“Verified headhunters”	the headhunters that have completed all required registration and verification procedures to our satisfaction

By Order of the Board
Tongdao Liepin Group
Dai Kebin
Chairman

The PRC, 18 August 2020

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