

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Tongdao Liepin Group

同道獵聘集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6100)

KEY FINANCIAL AND PERFORMANCE INDICATORS FOR THE FIRST QUARTER OF 2021

To enable shareholders, investors and the general public to better appraise the operational performance of the Group, the board of directors (the “**Board**”) of Tongdao Liepin Group (the “**Company**” together with its subsidiaries, the “**Group**”, “**we**” or “**us**”) announces certain selected unaudited key financial and performance indicators of the Group for the first quarter of 2021.

The key unaudited financial data during the first quarter of 2021 was set out as follows:

- Revenue including primarily revenue from providing talent acquisition and other HR services to our business customers and providing professional career services to individual users was RMB523.0 million in the first quarter of 2021, a 52.6% increase from RMB342.7 million in the first quarter of 2020.
- Gross profit was RMB417.0 million in the first quarter of 2021, a 47.9% increase from RMB281.9 million in the first quarter of 2020.
- Net profit was RMB3.0 million in the first quarter of 2021, compared to a net loss of RMB2.2 million in the first quarter of 2020, turning a loss into a profit. Net loss attributable to the equity shareholders of the Company was RMB7.9 million in the first quarter of 2021, narrowed by 36.5% from RMB12.4 million in the first quarter of 2020.
- Non-GAAP operating profit of the Company (excluding share-based compensation expenses and amortisation of intangible assets resulting from acquisition) was RMB37.0 million in the first quarter of 2021, a 42.1% increase from RMB26.0 million in the first quarter of 2020.

**FINANCIAL DATA (EXTRACTED FROM FINANCIAL RECORDS
PREPARED IN ACCORDANCE WITH “INTERNATIONAL FINANCIAL
REPORTING STANDARDS” AND “HONG KONG FINANCIAL REPORTING
STANDARDS”)**

**Consolidated statement of profit or loss
for the three months ended 31 March 2021 — unaudited**
(Expressed in RMB)

	Three months ended 31 March	
	2021	2020
	RMB'000	RMB'000
Revenue	523,015	342,697
Cost of revenue	<u>(105,967)</u>	<u>(60,774)</u>
Gross profit	417,048	281,923
Other income	19,302	26,475
Sales and marketing expenses	(285,118)	(186,263)
General and administrative expenses	(72,067)	(63,834)
Research and development expenses	<u>(69,607)</u>	<u>(56,807)</u>
Profit from operations	9,558	1,494
Net finance income	526	1,881
Share of results of associates	<u>124</u>	<u>—</u>
Profit before taxation	10,208	3,375
Income tax	<u>(7,244)</u>	<u>(5,565)</u>
Profit/(loss) for the period	<u>2,964</u>	<u>(2,190)</u>
Attributable to:		
— Equity shareholders of the Company	(7,859)	(12,373)
— Non-controlling interests	<u>10,823</u>	<u>10,183</u>
Profit/(loss) for the period	<u>2,964</u>	<u>(2,190)</u>

**Consolidated statement of profit or loss and other comprehensive income
for the three months ended 31 March 2021 — unaudited**
(Expressed in RMB)

	Three months ended 31 March	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) for the period	2,964	(2,190)
Other comprehensive income for the period (after tax and reclassification adjustments)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas group entities	<u>8,692</u>	<u>23,145</u>
Other comprehensive income for the period	<u>8,692</u>	<u>23,145</u>
Total comprehensive income for the period	<u>11,656</u>	<u>20,955</u>
Attributable to:		
Equity shareholders of the Company	833	10,772
Non-controlling interests	<u>10,823</u>	<u>10,183</u>
Total comprehensive income for the period	<u>11,656</u>	<u>20,955</u>

Consolidated statement of financial position as at 31 March 2021 — unaudited*(Expressed in RMB)*

	31 March 2021 RMB'000	31 December 2020 RMB'000
Non-current assets		
Property, plant and equipment	143,134	149,219
Investment properties	34,586	34,959
Intangible assets	216,478	229,808
Goodwill	855,651	855,651
Prepayments for investments	6,000	23,968
Interests in associate	1,824	1,961
Other financial assets	165,676	141,414
Deferred tax assets	15,965	21,335
Other non-current assets	10,819	7,109
	1,450,133	1,465,424
Current assets		
Trade receivables	92,873	92,552
Prepayments and other receivables	153,374	115,233
Receivables from related parties	10,891	10,866
Other current assets	349,283	344,394
Time deposits with banks	2,001,247	1,904,648
Cash and cash equivalents	331,813	516,944
	2,939,481	2,984,637
Current liabilities		
Trade and other payables	279,483	367,911
Contract liabilities	895,131	850,195
Interest-bearing borrowings	3,000	—
Lease liabilities	50,014	51,316
Current taxation	21,561	32,020
	1,249,189	1,301,442

Consolidated statement of financial position as at 31 March 2021 — unaudited
(continued)
(Expressed in RMB)

	31 March 2021 RMB'000	31 December 2020 RMB'000
Net current assets	<u>1,690,292</u>	<u>1,683,195</u>
Total assets less current liabilities	<u>3,140,425</u>	<u>3,148,619</u>
Non-current liabilities		
Lease liabilities	62,250	62,875
Deferred tax liabilities	<u>43,267</u>	<u>43,160</u>
	<u>105,517</u>	<u>106,035</u>
NET ASSETS	<u>3,034,908</u>	<u>3,042,584</u>
CAPITAL AND RESERVES		
Share capital	340	340
Reserves	<u>2,840,867</u>	<u>2,874,220</u>
Total equity attributable to equity shareholders of the Company	2,841,207	2,874,560
Non-controlling interests	<u>193,701</u>	<u>168,024</u>
TOTAL EQUITY	<u>3,034,908</u>	<u>3,042,584</u>

NON-GAAP FINANCIAL MEASURES

To supplement the consolidated results of the Group for the first quarter of 2021 prepared in accordance with “International Finance Reporting Standards” (“IFRS”), 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 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.

	Three months ended 31 March	
	2021	2020
	(unaudited)	(unaudited)
	<i>RMB’000</i>	<i>RMB’000</i>
NON-GAAP PROFIT FROM OPERATION		
Profit from Operation	9,558	1,494
Share-based compensation expense	15,280	15,137
Amortization of intangible assets resulting from acquisition	12,170	9,406
Non-GAAP Profit from Operation	37,008	26,037

BUSINESS DATA

The table below summarizes the key operating metrics of the Company as of the dates indicated.

	As of 31 March 2021	As of 31 December 2020
Individual Users		
Number of registered individual users (<i>in millions</i>)	<u>65.8</u>	<u>63.2</u>
Business Users		
Number of verified business users	<u>810,914</u>	<u>725,059</u>
Headhunters		
Number of verified headhunters	<u>175,413</u>	<u>168,108</u>

BUSINESS REVIEW AND OUTLOOK

Market Review

The Chinese talent acquisition market rebounded significantly in the first quarter of 2021 mainly credit to the relief of the physical restrictions in work environments and the rapid recovery of the national economy. Among the increase in market performance, the top 3 industries in respect of the new job postings during the first quarter of 2021 are the new energy vehicles, tourism, and media. Meanwhile, healthcare, new retail, and other online businesses also grew rapidly fueled by changing behaviors during and post the COVID-19 pandemic. The surging employment sentiment resulted in a flourishing industry in the first quarter of 2021 compared to 2020 or even 2019.

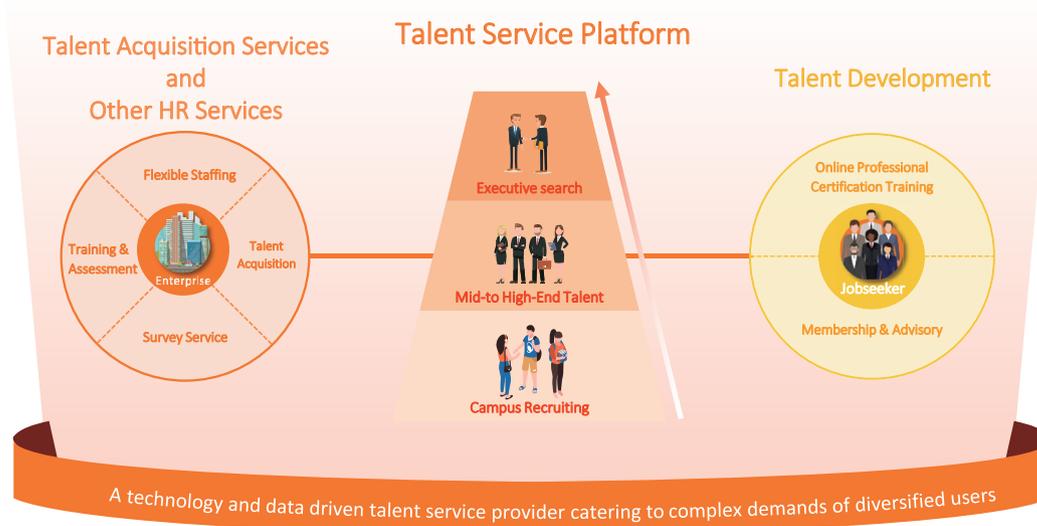
Based on the number of job postings, user activities, and the early renewal of the subscription packages on our platform, it is notable that talent acquisition activeness and confidence of corporations are restored, and individuals' willingness to make career changes grew remarkably. Leveraging on our big data computing capability, rich industrial know-how, and deep customer relationship, *Liepin* (獵聘, which literally means headhunting and recruiting) is able to explore the market trend in multiple dimensions and execute business plans ahead of time while actively seizing market opportunities along with the success of our business and individual users.

Overall Performance

As a pioneer of online talent service platform in China that focuses on mid-to high-end talent acquisition services, we achieved robust growth during the first quarter of 2021. For the three months ended 31 March 2021, our revenue and gross profit amounted to approximately RMB523.0 million and RMB417.0 million, respectively, representing a year-on-year increase of 52.6% and 47.9%, respectively. In the three months ended 31 March 2021, we continued to execute the long-term growth strategy of “building a technology and big data-driven one-stop talent service platform” and actively penetrate the talent service market.

On top of the accelerating recovery and growth of our core talent acquisition services, we leveraged our know-how in online service offering to integrate other human resource services, including online survey services, flexible staffing, 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 first quarter ended 31 March 2021, the revenue generated from the talent acquisition services and other HR services to business users was RMB444.9 million (compared with RMB319.4 million generated during the same period in 2020), representing a year-on-year increase of 39.3%. The number of our verified business users increased from 725,059 as of 31 December 2020 to 810,914 as of 31 March 2021.

In the first quarter of 2021, with our comprehensive talent development services, including career advisory, certificate training, etc., our online platform’s individual user traffic grew steadily and reached a record high in March 2021. For the first quarter ended 31 March 2021, the revenue generated from talent development to individual users was RMB77.7 million (compared with RMB19.0 million generated during the same period in 2020), representing a year-on-year increase of 309.5%. The number of registered individual users increased from 63.2 million as of 31 December 2020 to 65.8 million as of 31 March 2021.



Talent Acquisition Services

The talent acquisition service is still the foundation and future growth stream of our business. Enterprise customers can subscribe to our annual services, purchase our closed-loop talent acquisition services, or enter into customized talent acquisition projects with us as needed. During the first quarter of 2021, our talent acquisition services upgraded comprehensively. For the purpose of enriching user base and boosting interactions on our platforms, initiatives have been implemented to upgrade brand proposition, improve product design and user experiences, and further enhance data analysis capability.

In January 2021, we initiated a wave of branding campaigns by unlocking our new company logo and ambassador to cater to the younger population's preference for online interaction. Our sponsorship in the international game leagues, famous variety shows, and high-quality industry summits enhanced our brand exposure and upgraded our brand proposition into targeting a full range of demographic, particularly the younger generations.

Together with our brand upgrade in targeting a wider range of populations, we further optimized our product superiority. Notably, the instant messaging function was fully launched and broadly promoted to our users on the mobile application. While an increasing amount of individual users, recruiters, and headhunters actively interacting on our platform, we are able to collect diversified behavioral data to capture sales leads, train our matching algorithm, further optimize user experiences and enhance user stickiness.

Moreover, as a leading talent services provider, we are mindful of our social responsibility on top of value creation in business scope. We have a solid commitment in building a safe business environment and guiding a progressive industrial development. Besides the strictly regulated corporate and headhunter registration process, we led the industrial transformation by introducing the virtual intermediary contact information between our individual users, corporates and headhunters during the first quarter of 2021. We always attach great importance to our users' interests, and promote user protection tactics since the inception of our business. In years of efforts, accompanied by the collaboration with the authorities, we are more than ready to adopt a series of new contacting methods with a well-developed technical team, rich experience from extensive trials and close relationship with our customers.

Lastly, we kept emphasizing technology development and data analysis for continuous enhancement of matching algorithms and business digitalization. During the first quarter of 2021, as our technical team has advanced in computing capability and acquired more understanding on our business, our sophisticated tag-labeling mechanism further evolved to accommodate more complicated requirements. The accurate matching capability has also bolstered.

Other Human Resource Services

Our flexible staffing service maintained its growth momentum in 2021. The progressive development was partially credited to the surging awareness and market volume of the flexible staffing industry, but more importantly, the digitalization of our recruiting process and our internal operation are the main reasons for the exponential growth. Aiming toward a fully online flexible staffing service provider, digitalization of the business processes such as recruiting, contract signing, payroll management, employee management continued to be optimised during the first quarter of 2021.

Our survey service continued to dominate the talent recruitment market. We provided handy online assistance tools for pandemic prevention and control to local governments and communities during the pandemic prevention period. Furthermore, we also attract long-term and high-frequency users even after the pandemic due to product superiority and growing habit of using online survey tools. In addition to online survey applications and SaaS services, the business segment team is also exploring more commercialization possibilities together with the Group. By leveraging the large number of high-quality users, we can make greater use of the advantages of both sides in market position and product design capability.

Our assessment and training application and SaaS platform is an innovative product that provides video-based training, such as leadership training and professional skillsets course to employees. Direct managers and the HR department can assign training schedules, conduct assessment questionnaires, and track the employee training completion status. Employees can leverage the mobile app to conduct real time online training and take exams in their space time. We provide powerful assistance during enterprises' structural upgrade and talent development. In the first quarter of 2021, more key account customers chose to exclusively collaborate with us on training and assessment front for our trustworthy brand and excellent service offerings.

Talent Development

Leveraging on our talent networks and artificial intelligence technology, we have mapped out a comprehensive and expanding talent graph and accumulated data insights that are difficult to replicate. The data enables us to model and predict individual users' job intention and their scope of competence. By deeply understanding our users' needs, we can deliver customized recommendations to every job seeker, thus enhance matching accuracy and user stickiness. The business strategy is being verified continuously by our increasing user traffic. We also observe a strong level of activeness among our individual users and the level of engagement continues 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), professional certification and skill training were provided at affordable prices and on a large scale to help our individual users pursue their ideal jobs.

Our online professional certificate training business maintained a leading position in training for teaching, counselling, and other professional certifications. With the ascending number of newly graduated students in recent years and high youth unemployment rate as indicated in the data released by the National Bureau of Statistics in March 2021, the employment situation is more challenging for students and junior workers. In light of this circumstance, individuals' willingness to improve themselves for the purpose of securing a stable job will increase, which will ultimately contribute to the rapid expansion of the online certificate training market. Our business segment also experienced substantial growth credit to both the favorable market condition and ongoing system integration with the Group.

Strategic Update

We started 2021 off with strong quarterly results. The accelerating digitalization of Chinese enterprises lays a solid foundation for an increasing online recruitment market, and the economy rebound has created an excellent opportunity for us to capture more market share and spur growth quickly.

Looking ahead, as a one-stop talent service provider, *Liepin* will continue to pursue excellence in multi-streamed product development for better user experience and broader user coverage. Throughout the year, our product will continue to be optimized through customer segmentation in terms of user interface, data security, and function variety. We will leverage our rich product mix to execute flexible yet precise sales strategy, in order to fulfil customers' diversified needs. On the individual user front, the trend towards a younger mid-to high-end talent pool created tremendous growth potential for us. As younger talents are generally more adaptive to emerging technologies and online tools, the rising of young talents fuels the digitalization of talent services in the long run. On the business user front, we carefully labeled and segmented our registered business users. For each segmented user group, we will promote diversified products and implement unique sale strategies. We look forward to achieving stronger user stickiness, wider user coverage and longer-term growth from detecting and fulfilling different users' needs.

Secondly, we are going to strengthen our advantage in technological capability. Our consistent investment in R&D has built a solid foundation for our advanced matching algorithm, data security, and innovative SaaS products. We paid great attention to system integration and digitalization of the business flow across various business segments within the Group. The optimization of the system will eventually be demonstrated by the snowballing of our outstanding business performances.

Lastly, in the longer term, *Liepin* will keep exploring along the talent service value chain by carrying out our vertical population penetration and horizontal business expansion strategies. By optimizing integration and empowering the ecosystem, both the business users and individual users will be able to benefit from our multi-streamed business portfolio.

CAUTION STATEMENT

The Board wishes to remind shareholders of the Company and investors that the above financial and business data are based on the Group's internal records and management accounts and have not been reviewed or audited by the auditors.

Any forward-looking statements contained herein are not guaranteed of future performance. Rather they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group and are difficult to predict, that will or may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Therefore, such information is provided to shareholders and potential investors as interim information for reference only. The data shown above do not constitute nor should they be construed as invitations or offers to buy or sell any securities or financial instruments of the Group. Nor are they intended as the offer of any investment services or advices. Shareholders of the Company and investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

By Order of the Board
Tongdao Liepin Group
Dai Kebin
Chairman

PRC, 21 May 2021

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, 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.