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**ZERO2IPO HOLDINGS INC.**

**清科創業控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1945)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

**KEY FINANCIAL HIGHLIGHTS**

	<b>For the six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	
<b>Revenue</b>	<b>82,618</b>	39,829
Profit/(loss) before income tax	<b>16,131</b>	(7,078)
<b>Profit/(loss) for the period</b>	<b>12,595</b>	<b>(5,072)</b>
<b>Non-HKFRS measure<sup>(1)</sup></b>		
Adjusted net profit	<b>8,845</b>	<b>49</b>

*Note:*

(1) See “Management Discussion and Analysis – Adjusted net profit (non-HKFRS measure).”

In this announcement, “we”, “us”, “our” and “Zero2IPO” refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the “**Board**”) of directors (the “**Directors**”) of Zero2IPO Holdings Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2021, together with the comparative figures for the six months ended June 30, 2020 are as follows. The interim results for the six months ended June 30, 2021 have been reviewed by PricewaterhouseCoopers, the independent auditor of the Company (the “**Auditor**”) in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, and by the audit committee of the Company (the “**Audit Committee**”).

\* For identification purpose only.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

*for the six months ended June 30, 2021*

*(Expressed in RMB)*

		<b>Unaudited</b>	<b>Audited</b>
		<b>Six months ended June 30,</b>	<b>2020</b>
	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		<b>RMB'000</b>	<b>RMB'000</b>
Revenue from contracts with customers	5	<b>82,618</b>	39,829
Cost of revenue	6	<b>(44,784)</b>	<u>(23,883)</u>
<b>Gross profit</b>		<b>37,834</b>	15,946
Selling and marketing expenses	6	<b>(7,538)</b>	(5,617)
General and administrative expenses	6	<b>(12,943)</b>	(13,938)
Research and development expenses	6	<b>(7,185)</b>	(3,859)
Net impairment losses on financial and contract assets		<b>(749)</b>	(403)
Other income		<b>6,060</b>	490
Other gain – net		<b>1,300</b>	<u>1,178</u>
<b>Operating profit/(loss)</b>		<b>16,779</b>	(6,203)
Finance income		<b>314</b>	64
Finance cost		<b>(531)</b>	<u>(939)</u>
Finance cost – net		<b>(217)</b>	(875)
Share of net losses of associates accounted for using the equity method		<b>(431)</b>	<u>–</u>
<b>Profit/(loss) before income tax</b>		<b>16,131</b>	(7,078)
Income tax (expenses)/credit	7	<b>(3,536)</b>	<u>2,006</u>
<b>Profit/(loss) for the period</b>		<b>12,595</b>	<u><u>(5,072)</u></u>

		<b>Unaudited</b>	<b>Audited</b>
		<b>Six months ended June 30,</b>	
		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>12,595</b>	(5,072)
Non-controlling interests		<u>—</u>	<u>—</u>
<b>Other comprehensive loss, net of tax</b>			
Items that will not be reclassified to profit or loss:			
Currency translation differences		<u>(3,583)</u>	<u>—*</u>
<b>Total comprehensive income/(loss) for the period</b>		<b><u>9,012</u></b>	<b><u>(5,072)</u></b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		<b>9,012</b>	(5,072)
Non-controlling interests		<u>—</u>	<u>—</u>
<b>Earnings/(losses) per share for profit/(loss) attributable to owners of the Company</b>			
Basic and diluted ( <i>RMB per share</i> )	8	<u><b>0.04</b></u>	<u>(0.02)</u>

\* The amount is less than RMB1,000.

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

as at June 30, 2021

(Expressed in RMB)

		<b>Unaudited</b>	<b>Audited</b>
		<b>June 30,</b>	December 31,
		<b>2021</b>	2020
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		22,624	24,900
Intangible assets		132	143
Investments accounted for using the equity method		1,225	456
Deferred income tax assets		5,946	8,329
Other non-current assets		5,779	2,921
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>35,706</b>	<b>36,749</b>
		<hr/>	<hr/>
<b>Current assets</b>			
Prepayments and other receivables		8,922	4,126
Accounts receivable	10	29,236	17,417
Contract assets		12,128	9,058
Other current assets		3,081	2,565
Financial assets at fair value through profit or loss		127,973	84,882
Cash and cash equivalents		389,697	403,059
		<hr/>	<hr/>
<b>Total current assets</b>		<b>571,037</b>	<b>521,107</b>
		<hr/>	<hr/>
<b>Total assets</b>		<b>606,743</b>	<b>557,856</b>
		<hr/> <hr/>	<hr/> <hr/>

		<b>Unaudited</b>	<b>Audited</b>
		<b>June 30,</b>	December 31,
		<b>2021</b>	2020
<i>Notes</i>		<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
		<b>11,002</b>	11,196
		<b>3,904</b>	8,272
		<b>–</b>	17
		<b>14,906</b>	19,485
<b>Total non-current liabilities</b>			
<b>Current liabilities</b>			
	11	<b>3,642</b>	3,912
		<b>10,223</b>	31,954
		<b>4,062</b>	13,623
		<b>64,216</b>	45,119
		<b>10,589</b>	10,024
		<b>3,853</b>	2,707
		<b>96,585</b>	107,339
		<b>96,585</b>	107,339
<b>Total current liabilities</b>			
		<b>111,491</b>	126,824
		<b>111,491</b>	126,824
<b>Total liabilities</b>			
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
		<b>200</b>	196
		<b>411,023</b>	355,819
		<b>40,492</b>	44,075
		<b>43,537</b>	30,942
		<b>495,252</b>	431,032
		<b>495,252</b>	431,032
<b>Total equity</b>			
		<b>606,743</b>	557,856
		<b>606,743</b>	557,856
<b>Total equity and liabilities</b>			

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*(Expressed in RMB unless otherwise indicated)*

## 1. General information

Zero2IPO Holdings Inc. (the “**Company**”) was incorporated in the Cayman Islands on August 1, 2019, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together referred as to the “**Group**”) are principally engaged in providing integrated equity investment service, namely data services, consulting services, marketing services and training services (collectively, the “**Business**”) in People’s Republic of China (the “**PRC**”).

Mr. Ni Zhengdong is the controlling shareholder of the Group.

The Company completed the initial public offering of its shares (“**Initial Public Offering**” or “**IPO**”) on the Main Board of The Stock Exchange of Hong Kong Limited on December 30, 2020. 40 million new shares of the Company with nominal value of USD0.0001 each at an offer price of HKD11.00 per share were issued. The Over-allotment Option as part of the Company’s IPO was fully exercised on January 20, 2021, in respect of an aggregate of 6 million shares of the Company being issued at HKD11.00 per share.

The Group’s interim condensed financial information for the six months ended June 30, 2021 comprises the interim condensed consolidated balance sheet as at June 30, 2021, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended June 30, 2021, and a summary of significant accounting policies and other explanatory notes (the “**Interim Financial Information**”). The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

## 2 Basis of preparation

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited Interim Financial Information does not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2020.

### 3 Significant accounting policies

Except as described below, the accounting policies applied in the preparation of the Interim Financial Information are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2020.

**Effective for  
accounting  
periods  
beginning on  
or after**

Interest Rate Benchmark Reform – Phase 2 – Amendments to HKFRS 9,  
HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

January 1, 2021

In addition, the HKICPA also published a number of new standards and amendments to standards which are effective for the financial year beginning on or after January 1, 2022 and have not been early adopted by the Group. Management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

### 4 Segment information

The Group's business activities are mainly in data services, marketing services, consulting services and training services and are regularly reviewed and evaluated by the chief operating decision maker ("CODM"). As a result of this evaluation, the Group is organised into four reportable segments according to the revenue streams of the Group, and the revenue streams of the Group are data services, marketing services, consulting services and training services.

The CODM assesses the performance of the operating segments based on the gross profit. The reconciliation of gross profit to profit before income tax is shown in the consolidated statements of comprehensive income. There were no separate segment assets and segment liabilities information provide to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

#### 4 Segment information — continued

The segment results for the six months ended June 30, 2021 and 2020 are as follows:

	Data services <i>RMB'000</i>	Marketing services <i>RMB'000</i>	Consulting services <i>RMB'000</i>	Training services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended June 30, 2021</b>					
Revenue	24,416	34,454	4,153	19,595	82,618
Cost of revenue	<u>(11,579)</u>	<u>(13,433)</u>	<u>(7,053)</u>	<u>(12,719)</u>	<u>(44,784)</u>
<b>Gross profit/(loss)</b>	<b><u>12,837</u></b>	<b><u>21,021</u></b>	<b><u>(2,900)</u></b>	<b><u>6,876</u></b>	<b><u>37,834</u></b>
<b>Six months ended June 30, 2020</b>					
Revenue	20,350	10,449	5,315	3,715	39,829
Cost of revenue	<u>(8,640)</u>	<u>(6,924)</u>	<u>(3,592)</u>	<u>(4,727)</u>	<u>(23,883)</u>
<b>Gross profit/(loss)</b>	<b><u>11,710</u></b>	<b><u>3,525</u></b>	<b><u>1,723</u></b>	<b><u>(1,012)</u></b>	<b><u>15,946</u></b>

#### 5 Revenue from contracts with customers

	<b>Unaudited</b> <b>Six months ended June 30,</b> <b>2021</b> <i>RMB'000</i>	<b>Audited</b> <b>Six months ended June 30,</b> <b>2020</b> <i>RMB'000</i>
<b>Revenue from contracts with customers</b>		
<i>Recognised over time</i>		
Data services	<b>10,204</b>	8,979
Marketing services	<b>34,454</b>	10,449
Consulting services	<b>915</b>	180
Training services	<b>12,436</b>	1,102
<i>Recognised at a point in time</i>		
Data services	<b>14,212</b>	11,371
Consulting services	<b>3,238</b>	5,135
Training services	<b>7,159</b>	2,613
<b>Total</b>	<b><u>82,618</u></b>	<b><u>39,829</u></b>

The Group generally enters into service contracts with customers for a contract term less than one year. Therefore the Group has applied the practical expedient permitted under HKFRS 15 not to disclose the transaction price allocated to the unsatisfied performance obligations.



## 6 Expenses by nature

	Unaudited Six months ended June 30, 2021 <i>RMB'000</i>	Audited 2020 <i>RMB'000</i>
Employee benefit expense	41,484	27,655
Offline event costs	10,166	848
Professional service fee	7,285	1,035
Depreciation and amortisation	5,130	5,498
Advertisement expenses	2,627	1,617
Travel expenses	2,262	702
Office expenses	1,387	549
Utilities and property management fee	817	819
Auditor's remuneration	781	–
Listing expenses	–	6,828
Others	511	1,746
<b>Total</b>	<b>72,450</b>	<b>47,297</b>

## 7 Income tax expenses/(credit)

	Unaudited Six months ended June 30, 2021 <i>RMB'000</i>	Audited 2020 <i>RMB'000</i>
<b>Current income tax</b>		
Current tax on profits for the period	1,170	931
<b>Deferred income tax</b>		
Changes in deferred tax assets/liabilities	2,366	(2,937)
<b>Income tax expenses/(credit)</b>	<b>3,536</b>	<b>(2,006)</b>

## 8 Earnings/(losses) per share

### (a) Basic

The basic earnings/(losses) per share is calculated based on the profit/(loss) attributable to equity holders of the Company for the six months ended June 30, 2021 and 2020 divided by the weighted average number of shares in issued during the period.

	Unaudited Six months ended June 30, 2021 RMB'000	Audited 2020 RMB'000
Profit/(loss) attributable to owners of the Company (RMB'000)	12,595	(5,072)
Weighted average number of ordinary shares in issue (thousand)(i)	<u>305,341</u>	<u>260,000</u>
Basic earnings/(losses) per share (RMB per share)	<u><u>0.04</u></u>	<u><u>(0.02)</u></u>

- (i) The weighted average number of ordinary shares in issue used for the calculation of basic losses per share for the period ended June 30, 2020 have been retrospectively adjusted for the capitalization issue. The ordinary shares which were issued and allotted by the Company in connection with Reorganization, had been treated as if these shares were in issue since the beginning. The issuance of shares upon full exercise of the Over-allotment Option in January 2021 is accounted at time portion basis.

### (b) Diluted

For the six months ended June 30, 2021, there were no dilutive potential ordinary shares on the Company outstanding. Therefore, there was no dilution impact on weighted average number of shares on the Company.

## 9 Dividends

Zero2IPO Ventures declared dividends of RMB30,000,000 for the year of 2019 to its then shareholders in May 2020. The dividends were fully paid in May 2020.

No dividend has been paid or declared by the Company or any companies now comprising the Group for the six months ended June 30, 2021.

## 10 Accounts receivable

	Unaudited As at June 30, 2021 RMB'000	Audited As at December 31, 2020 RMB'000
From third parties	31,912	19,375
Less: allowance for impairment	<u>(2,676)</u>	<u>(1,958)</u>
	<u><u>29,236</u></u>	<u><u>17,417</u></u>

## 10 Accounts receivable — continued

An aging analysis of the gross accounts receivable as at June 30, 2021 and December 31, 2020, based on date of recognition, is as follows:

	<b>Unaudited</b> As at <b>June 30,</b> <b>2021</b> <i>RMB'000</i>	<b>Audited</b> As at December 31, 2020 <i>RMB'000</i>
Up to 30 days	19,624	11,170
30 days to 90 days	451	1,087
90 days to 180 days	1,400	3,171
180 days to 360 days	6,982	1,902
360 days to 540 days	1,832	866
540 days to 2 years	469	390
2 years above	1,154	789
	<u>31,912</u>	<u>19,375</u>

Based on the contract terms, the credit period granted by the Group is normally not exceeding one year.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics. The expected credit losses also incorporate forward looking information.

## 11 Accounts payable

Aging analysis of the accounts payable as at June 30, 2021 and December 31, 2020 based on the date of recognition are as follows:

	<b>Unaudited</b> As at <b>June 30,</b> <b>2021</b> <i>RMB'000</i>	<b>Audited</b> As at December 31, 2020 <i>RMB'000</i>
Up to 6 months	3,332	3,612
6 months to 1 year	310	–
1 to 2 years	–	300
	<u>3,642</u>	<u>3,912</u>

## BUSINESS REVIEW AND OUTLOOK

### Overview

We are an integrated service platform for equity investment industry, which provides data, marketing, consulting and training services to participants in the equity investment industry<sup>1</sup>. We offer a broad range of services through both online and offline channels for all participants in the equity investment industry, including investors, entrepreneurs, growth enterprises and government agencies.

- **Data Services.** We enable convenient and easy-to-navigate access to industry data and informed decision-making through our PEdata Database and research report services, leveraging our extensive data resources as well as our robust data collection, analytics and research capabilities. As of June 30, 2021, our proprietary PEdata Database had a total of over 263,500 registered users. We also compile customized reports to address our customers' specific information needs and support their strategic decision-making process, as well as provide periodic standardized research reports enabling industry participants to track, understand and analyze China's equity investment industry. For the six months ended June 30, 2021, we compiled customized reports for approximately 79 customers.
- **Marketing Services.** We offer omni-channel marketing services through our online information platforms such as PEdaily and offline industry events, which also track industry trends and facilitate intra- and inter-industry networking. Our online information platforms offer high-quality content focused on China's equity investment industry. As of June 30, 2021, our online information platforms have accumulated over 2.5 million subscribers across our mobile applications, websites and major third-party platforms including WeChat, Weibo, Toutiao, NetEase and Sohu. We organize offline industry events, including Zero2IPO events and customized events, offering industry participants the opportunities to interact and socialize face-to-face. For the six months ended June 30, 2021, we organized two offline Zero2IPO events, covering an aggregate of over 1,300 participants. We also organized four offline customized events during the six months ended June 30, 2021, covering over 1,900 participants. Furthermore, we also organized several boutique seminars and other themed events.

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<sup>1</sup> Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

- **Consulting Services.** We connect entrepreneurs and growth enterprises with investors through our online investor-entrepreneur matching platform Deal-Market and offline consulting services, providing them with business development solutions and capital resources throughout their lifecycles. Our consulting services also enable investors to locate appropriate investment targets. Deal-Market covered over 105,400 business projects as well as over 13,900 investors as of June 30, 2021. We also served approximately 55 entrepreneurs and growth enterprises with our offline consulting services in the six months ended June 30, 2021.
- **Training Services.** We offer a variety of equity investment-related online and offline training courses primarily through SandHill University, SandHill College and Investment College, targeting at a wide variety of audience including investment professionals, entrepreneurs, government officials, and college students seeking a career in the equity investment industry. We also provide customized training services targeting institutional customers, especially government agencies and large enterprises. For the six months ended June 30, 2021, our online and offline training services provided over 6,800 new entrants and experienced professionals with foundational knowledge of and perceptive insights into China’s equity investment industry.

## **Outlook**

In the first half of 2021, the Group performed strongly in terms of operation and finance, and its revenue doubled compared with the corresponding period during last year. Thanks to the effective control of COVID-19 in China, the demand for services from our customers increased, and the revenue generated from offline marketing services and training services increased significantly. All along, the Company’s businesses have a solid foundation and a diversified customer base. We expect that the business growth trend will continue in the future.

Looking forward, the Group will continue to strengthen its existing business to ensure a stable growth in revenue. Meanwhile, the Group will enhance the construction and expansion of new businesses, new products and new services, in order to be well-arranged for future growth. We will continue to take every journey with venture capital industry to make new contributions to China’s economy, urban funds and industrial development.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue**

Our revenue increased significantly from RMB39.8 million for the six months ended June 30, 2020 to RMB82.6 million for the corresponding period in 2021, primarily attributable to the increases in revenue generated from marketing services and training services, which was in turn due to (i) the increase in revenue generated from offline training services given the effective containment of the COVID-19 outbreak in China, (ii) the increased number of Zero2IPO events and large-scale customized events we organized during the six months ended June 30, 2021, and (iii) the increase in revenue generated from online advertising business under our marketing services.

### **Cost of revenue**

Our cost of revenue increased by 87.4% from RMB23.9 million for the six months ended June 30, 2020 to RMB44.8 million for the corresponding period in 2021, primarily due to (i) the increase in employee benefit expenses as a result of our increased headcount, the increased compensation level, and the discontinuation of the exempted or reduced social insurance contribution policy in connection with the COVID-19 outbreak given the improved situation in China, and (ii) the increase in venue rental costs and event set-up costs associated with the new or scale-up offline industry events and offline training courses.

### **Gross profit and gross profit margin**

As a result of the foregoing, our gross profit increased significantly from RMB15.9 million for the six months ended June 30, 2020 to RMB37.8 million for the corresponding period in 2021. Our gross profit margin increased from 40.0% for the six months ended June 30, 2020 to 45.8% for the corresponding period in 2021, primarily because the increase in our revenue outpaced the increase in our cost of revenue as a result of economies of scale as we expanded our business operation.

### ***Data services***

Our gross profit for data services increased by 9.4% from RMB11.7 million for the six months ended June 30, 2020 to RMB12.8 million for the corresponding period in 2021. Our gross profit margin for data services remained relatively stable at 52.6% and 57.5% for the six months ended June 30, 2021 and 2020, respectively.

### ***Marketing services***

Our gross profit for marketing services increased significantly from RMB3.5 million for the six months ended June 30, 2020 to RMB21.0 million for the corresponding period in 2021. Our gross profit margin for marketing services increased from 33.7% for the six months ended June 30, 2020 to 61.0% for the corresponding period in 2021, primarily because the increase in revenue generated from marketing services outpaced the increase in cost of revenue of marketing services as a result of economies of scale, and such revenue increase was mainly due to the increased number of Zero2IPO events and large-scale customized events we organized as well as the increase in revenue generated from online advertising business in the six months ended June 30, 2021.

### ***Consulting services***

We recorded gross profit for consulting services in the amount of RMB1.7 million for the six months ended June 30, 2020, and incurred gross loss for consulting services in the amount of RMB2.9 million for the corresponding period in 2021. Our gross profit margin for consulting services was 32.4% for the six months ended June 30, 2020, and our gross loss margin for consulting services was 69.8% for the corresponding period in 2021, primarily due to the decrease in our revenue generated from consulting services and the increase in employee benefit expenses as a result of the increased compensation level and the increased headcount.

### ***Training services***

We recorded gross profit in the amount of RMB6.9 million for the six months ended June 30, 2021, and incurred gross loss for training services in the amount of RMB1.0 million of the corresponding period in 2020. Our gross loss margin for training services was 27.2% for the six months ended June 30, 2020, and our profit margin for training services was 35.1% for the corresponding period in 2021, primarily due to the increase in revenue generated from training services as we resumed our offline training courses given the effective containment of the COVID-19 outbreak in China.

## **Selling and marketing expenses**

Our selling and marketing expenses increased by 33.9% from RMB5.6 million for the six months ended June 30, 2020 to RMB7.5 million for the corresponding period in 2021, primarily due to (i) the increase in employee benefit expenses as a result of the increased headcount, the increased compensation level in order to attract talents, and the discontinuation of the exempted or reduced social insurance contribution policy in the first half of 2021, and (ii) the increase in advertising expenses in an effort to enlarge the customer base of our training services, both online and offline.

## **General and administrative expenses**

Our general and administrative expenses decreased by 7.2% from RMB13.9 million for the six months ended June 30, 2020 to RMB12.9 million for the corresponding period in 2021, primarily because listing expenses in connection with the initial public offering of the Company were incurred during the six months ended June 30, 2020.

## **Research and development expenses**

Our research and development expenses increased by 84.6% from RMB3.9 million for the six months ended June 30, 2020 to RMB7.2 million for the corresponding period in 2021, primarily due to our continuous effort to enhance our research and development capability, mainly including our increased investment in research and development activities and the expansion of our R&D team.

## **Income tax expense/credit**

We recorded income tax credit in the amount of RMB2.0 million for the six months ended June 30, 2020, and incurred income tax expense in the amount of RMB3.5 million for the corresponding period in 2021, primarily because a profit before income tax was recorded for the six months ended June 30, 2021.

## **Profit/(loss) for the period**

As a result of the foregoing, we recorded net profit of RMB12.6 million for the six months ended June 30, 2021, and net loss of RMB5.1 million for the corresponding period in 2020. Our net loss margin was 12.7% for the six months ended June 30, 2020, and our net profit margin was 15.2% for the corresponding period in 2021.



## Adjusted net profit (non-HKFRS measure)

To supplement our consolidated financial statements which are presented in accordance with HKFRSs and consistent with the measures adopted by our industry peers listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), we also use a non-HKFRS measure, adjusted net profit, as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit may not be comparable to similarly titled measures presented by other companies, as companies may not calculate adjusted net profit in the same manner. The use of such non-HKFRS measure has limitations as an analytical tool, because it does not reflect all items of income and expense that affect our operations. The item that is adjusted for may continue to be incurred and should be considered in the overall understanding and assessment of our operating performance. You should not consider adjusted net profit in isolation, or as substitute for analysis of, our results of operations or financial position as reported under HKFRSs. Adjusted net profit, as we present it, represents our profit for the year excluding the effect of listing expenses.

The following table reconciles our adjusted net profit, a non-HKFRS measure, presented to profit for the year under HKFRSs.

	Six months ended June 30,	
	2021	2020
	RMB'000	RMB'000
<b>Profit/(loss) for the period</b>	<b>12,595</b>	(5,072)
Add: Listing expenses	–	6,828
Less: Government grants	(5,000)	–
Less: Tax effect of adjustments	<u>1,250</u>	<u>(1,707)</u>
<b>Adjusted net profit</b>	<b><u>8,845</u></b>	<b><u>49</u></b>

Our adjusted net profit was RMB0.05 million and RMB8.8 million for the six months ended June 30, 2020 and 2021, respectively. Our adjusted net profit margin was 0.1% and 10.7% for the six months ended June 30, 2020 and 2021, respectively.

## **Total liabilities**

Our total liabilities decreased by 12.1% from RMB126.8 million as of December 31, 2020 to RMB111.5 million as of June 30, 2021, primarily due to (i) the decrease in our other payables from RMB32.0 million as of June 30, 2020 to RMB10.2 million as of June 30, 2021, as a result of the decrease in payables to professional parties in connection with the initial public offering of the Company, (ii) the decrease in our income tax payable from RMB13.6 million as of June 30, 2020 to RMB4.1 million as of June 30, 2021, and (iii) partially offset by the increase in our contract liabilities from RMB45.1 million as of December 31, 2020 to RMB64.2 million as of June 30, 2021, as a result of the significant increase in contract liabilities relating to prepayments we received in connection with our training and marketing services for the six months ended June 30, 2021.

## **Liquidity and Capital Resources**

For the six months ended June 30, 2021, our primary uses of cash are to fund the daily operations of our business, and we financed our capital expenditures and working capital requirements principally with cash generated from our operations and the net proceeds from the global offering of the Company (“**Global offering**”).

Our net current assets increased from approximately RMB413.8 million as of December 31, 2020 to approximately RMB474.5 million as of June 30, 2021. Our cash and cash equivalents decreased from approximately RMB403.1 million as of December 31, 2020 to approximately RMB389.7 million as of June 30, 2021.

In order to manage liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our senior management to finance our operations and mitigate the effects of fluctuations in cash flows.

## **Exposure to Exchange Rate Fluctuation**

Currently, all of our operations are in China with all of our transactions being settled in RMB. We did not experience any impact or difficulties in liquidity on our operations resulting from currency exchange and we made no hedging transaction or forward contract arrangement for the six months ended June 30, 2020 and 2021, respectively. In this respect, we are not exposed to any significant foreign currency exchange risk. However, our management will closely monitor foreign exchange risk to ensure that appropriate measures are implemented in a timely and effective manner.

## **Capital Commitments**

As of June 30, 2021, we had a capital investment commitment to an investee amounting to RMB1.8 million.

## **Contingent Liabilities**

As of June 30, 2021, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

## **Future Plans for Material Investments and Capital Assets**

Save as disclosed in the prospectus of the Company dated December 16, 2020 (the “**Prospectus**”), we did not have other substantial future plans for material investments and capital assets.

## **Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies**

For the six months ended June 30, 2021, we did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## **Significant Investments and Acquisition of Capital Assets**

For the six months ended June 30, 2021, we did not hold any significant investments nor made any significant acquisition of capital assets, except the wealth management products we invested in to preserve the time value of our cash reserves.

## **Charge on Group’s Assets**

As of June 30, 2021, we had no charges on our assets.

## **Employees**

The Group had approximately 297 employees as at June 30, 2021, as compared to approximately 243 employees as at June 30, 2020. For the six months ended June 30, 2021, the Group incurred a total staff costs (including Directors' emoluments) of RMB41.5 million. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes salaries, performance-based cash bonuses and other incentives. As required under PRC laws and regulations, the Group makes contributions to social insurance fund, including pension, medical, unemployment, maternity and work-related injury, and to housing provident fund for the Group's employees. The Group has adopted a training protocol, pursuant to which the Group provides pre-employment and regular continuing management and technical training to the Group's employees.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to our employees' continuing education and development.

## **OTHER INFORMATION**

### **Use of Proceeds**

The ordinary shares of the Company (the "**Shares**") were listed on the Stock Exchange on December 30, 2020. The net proceeds (after deduction of underwriting fees and commissions and related costs and expenses) received by the Company from the Global Offering amounted to approximately HK\$386.9 million, and an additional net proceeds of approximately HK\$66.0 million were received by the Company from the allotment and issue of Shares as a result of the full exercise of the over-allotment option (collectively, the "**Net Proceeds**").

As of June 30, 2021, the Group had utilized the Net Proceeds as set out in the table below:

	Net Proceeds		Utilized amount during the six months ended June 30, 2021 <i>HK\$ million</i>	As of June 30, 2021		Expected timeline for the use of unutilized proceeds
	Percentage <i>%</i>	Amount <i>HK\$ million</i>		Utilized amount <i>HK\$ million</i>	Unutilized amount <i>HK\$ million</i>	
To expand geographical coverage in China	39.4	178.4	11.2	11.2	167.2	By December 2023
To improve offline service offerings and capture the industry trend toward online-offline integration	9.8	44.4	3.3	3.3	41.1	By December 2022
To upgrade online platforms and enrich online service offerings	5.8	26.3	4.9	4.9	21.4	By December 2022
To enhance sales and marketing efforts	9.9	44.8	3.9	3.9	40.9	By December 2022
To scale services into overseas emerging markets, such as Southeast Asia and India, in order to capture significant growth opportunities	5.6	25.4	–	–	25.4	By December 2022
To selectively pursue investment and acquisition opportunities	20.0	90.6	–	–	90.6	By December 2022
To be used for additional working capital and other general corporate purposes	9.5	43.0	5.0	5.0	38.0	By December 2022
<b>Total</b>	<b>100.0</b>	<b>452.9</b>	<b>28.3</b>	<b>28.3</b>	<b>424.6</b>	

*Note: The inconsistency between the sum of the numbers in the above table is due to rounding.*

There has been no change in the intended use of Net Proceeds in the manner as described under the section headed “Future Plans and Use of Proceeds” in the Prospectus, and the Group will apply the remaining Net Proceeds in the manner set out in the Prospectus.

## **Compliance with Corporate Governance Code**

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 14 to the Listing Rules as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the code provisions contained in the CG Code for the six months ended June 30, 2021, save for deviation from code provision A.2.1 of the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are held by Mr. NI Zhengdong. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. NI Zhengdong has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In light of the above, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in the circumstances of the Company.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## **Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the six months ended June 30, 2021.

The Group's employees, who are likely to be in possession of inside information of the Group, are also subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company during the six months ended June 30, 2021.

### **Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the six months ended June 30, 2021.

### **Audit Committee and Review of Financial Statements**

The Audit Committee comprising three independent non-executive Directors, namely Ms. YU Bin (being the chairwoman of the Audit Committee), Mr. XU Shaochun and Mr. ZHANG Min, has reviewed with the management of the Company the interim results of the Company for the six months ended June 30, 2021. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with management and the Company's auditor. The Audit Committee was satisfied that the Group's interim financial results for the six months ended June 30, 2021 were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended June 30, 2021.

In addition, the Company's external auditor, PricewaterhouseCoopers, has performed an independent review of the Group's interim condensed consolidated financial information for the six months ended June 30, 2021 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### **Interim Dividend**

The Board has resolved not to recommend payment of any interim dividend for the six months ended June 30, 2021.

### **Subsequent Event**

There were no other significant events that might affect the Group subsequent to the six months ended June 30, 2021.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.zero2ipo.cn](http://www.zero2ipo.cn)). The interim report of the Company for the six months ended June 30, 2021 will be dispatched to the Shareholders and published on the aforesaid websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

By Order of the Board  
**Zero2IPO Holdings Inc.**  
**NI Zhengdong**  
*Chairman and Chief Executive Officer*

Beijing, the PRC, August 5, 2021

*As at the date of this announcement, Mr. NI Zhengdong, Ms. FU Xinghua and Ms. ZHANG Yanyan are the executive Directors; Mr. KUNG Hung Ka is the non-executive Director; and Mr. XU Shaochun, Mr. ZHANG Min and Ms. YU Bin are the independent non-executive Directors.*