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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number:001-40460

KANZHUN LIMITED

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

21/F, GrandyVic Building
Taiyanggong Middle Road
Chaoyang District, Beijing 100020
People's Republic of China
(Address of principal executive offices)

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Taiyanggong Middle Road
Chaoyang District, Beijing 100020
People's Republic of China
(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depositary shares (each ADS represents two of our Class A ordinary shares, par value US$0.0001 per share)	BZ	Nasdaq Global Select Market
Class A ordinary shares, par value US$0.0001 per share*		Nasdaq Global Select Market
Class A ordinary shares, par value US$0.0001 per share	2076	The Stock Exchange of Hong Kong Limited

*☐ **Not for trading, but only in connection with the listing on the Nasdaq Global Select Market of American depositary shares.**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

730,807,661 Class A ordinary shares (excluding the Class A ordinary shares issued to the Depositary for bulk-issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under the share incentive plans and excluding the Class A ordinary shares underlying the ADSs repurchased by the Company pursuant to its share repurchase program) and 138,490,401 Class B ordinary shares, par value US$0.0001 per share, are outstanding as of December 31, 2024.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive- based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. ☐ Yes ☐ No

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INTRODUCTION

Except where the context otherwise requires and for purposes of this annual report only:

- "ADRs" are to the American depositary receipts that may evidence the ADSs;
- "ADSs" are to the American depositary shares, each of which represents two Class A ordinary shares;
- "AI" are to artificial intelligence;
- "blue-collar workers" are to people who perform manual or service-related work, whether in the secondary sector such as manufacturing or construction, or in the tertiary sector such as accommodation or catering or the local life service industry;
- "Boss" are to executives or middle-level managers of large enterprises and owners of SMEs and micro businesses;
- "Class A ordinary shares" are to our Class A ordinary shares, par value US$0.0001 per share;
- "Class B ordinary shares" are to our Class B ordinary shares, par value US$0.0001 per share;
- "DAU" are to the number of verified user accounts, including both job seekers and enterprise users, that logged on to our BOSS Zhipin mobile app in a given day at least once;
- "enterprise users" are to Bosses and recruiting professionals;
- "gold-collar users" are to people who perform professional, desk, managerial, or administrative work with an annual salary above RMB250,000;
- "HK$" and "Hong Kong dollars" are to the legal currency of Hong Kong;
- "Hong Kong Listing Rules" are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
- "Hong Kong Stock Exchange" are to the Stock Exchange of Hong Kong Limited;
- "Kanzhun," "we," "us," "our company" and "our" are to KANZHUN LIMITED, our Cayman Islands holding company and its subsidiaries, and in the context of describing our operations and consolidated financial information, the VIE in mainland China, including but not limited to Beijing Huapin Borui Network Technology Co., Ltd.;
- "key accounts" are to paid enterprise customers who contributed RMB50,000 or more of revenues to us in a twelve-month period ended on the end of a given period;
- "Main Board" are to the stock market (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange;
- "MAU" are to the number of verified user accounts, including both job seekers and enterprise users, that logged on to our BOSS Zhipin mobile app in a given month at least once;
- "mid-sized accounts" are to paid enterprise customers who contributed between RMB5,000 and RMB50,000 of revenues to us a twelve-month period ended on the end of a given period;
- "our WFOE," "the WFOE" are to Beijing Glorywolf Co., Ltd. from May 2014 to December 2023 and Beijing Highland Wolf Technology Co., Ltd. from January 2024 onwards;
- "online recruitment platform" are to our mobile applications, mini programs and websites;

- "paid enterprise customers" in a given period are to enterprise users and company accounts from which we recognize revenues for our online recruitment services in that period;
- "RMB" and "Renminbi" are to the legal currency of mainland China;
- "shares" or "ordinary shares" are to our Class A and Class B ordinary shares, par value US$0.0001 per share;
- "SMEs" are to small and medium-sized enterprises;
- "US$," "U.S. dollars," "$," and "dollars" are to the legal currency of the United States;
- "white-collar users" are to people who perform professional, desk, managerial, or administrative work with an annual salary equal or below RMB250,000; and
- "VIE" are to variable interest entity, and "the VIE" are to Beijing Huapin Borui Network Technology Co., Ltd.

Our reporting currency is the Renminbi. This annual report also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations of Renminbi into U.S. dollars were made at RMB7.2993 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2024. We make no representation that the Renminbi or U.S. dollars amounts referred to in this annual report could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

Due to rounding, numbers presented throughout this annual report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

FORWARD-LOOKING INFORMATION

This annual report on Form 20-F contains forward-looking statements that reflect our current expectations and views of future events. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigations Reform Act of 1995.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- our mission, goals and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the online recruitment service industry in China;
- our expectations regarding the prospects of our business model and demand for and market acceptance of our services;
- our expectations regarding maintaining and strengthening our relationships with users, business partners and other stakeholders;
- competition in our industry;
- government policies and regulations relating to our industry;
- general economic and business conditions globally and in China;
- assumptions underlying or related to any of the foregoing;
- the outcome of any current and future litigation or legal or administrative proceedings; and
- other factors described under "Item 3. Key Information—D. Risk Factors."

You should read thoroughly this annual report and the documents that we refer to in this annual report and have filed as exhibits to this annual report completely and with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this annual report discuss factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Our Holding Company Structure and Contractual Arrangements with the VIE

KANZHUN LIMITED is not a Chinese operating company, but rather a Cayman Islands holding company with no equity ownership in the VIE. Our Cayman Islands holding company does not conduct business operations directly. We conduct our operations in mainland China through (i) our subsidiaries incorporated in mainland China, or mainland China subsidiaries, and (ii) the VIE with which we have maintained contractual arrangements and its subsidiaries in mainland China. Laws and regulations of mainland China impose certain restrictions or prohibitions on foreign ownership of companies that engage in certain value-added telecommunication services, internet audio-visual program services, radio and television program services and certain other businesses. Accordingly, we operate these businesses in mainland China through the VIE and its subsidiaries, and rely on contractual arrangements among our mainland China subsidiaries, the VIE and its nominee shareholders to direct the activities of the VIE. The VIE is consolidated for accounting purposes, but are not entities in which our Cayman Islands holding company, or our investors, own equity. Substantially all of our revenues for the years ended December 31, 2022, 2023 and 2024 were contributed by the VIE. As used in this annual report, "we," "us," "our company," "our," or "Kanzhun" refers to KANZHUN LIMITED, its subsidiaries, and, in the context of describing our operations and consolidated financial information, the VIE in mainland China, Beijing Huapin Borui Network Technology Co., Ltd. Investors in our ADSs are not purchasing equity interest in the VIE in mainland China, but instead are purchasing equity interest in a holding company incorporated in the Cayman Islands.

A series of contractual agreements, including an exclusive technology and service co-operation agreement, an equity pledge agreement, an exclusive purchase option agreement, spousal consents and powers of attorney, have been entered into by and among our WFOE, the VIE and its respective shareholders. These contractual arrangements enable us to:

- receive substantially all of the economic benefits that could potentially be significant to the VIE in consideration for the services provided by our subsidiaries;
- direct the activities of the VIE;
- receive the pledge right over the equity interests in the VIE as the pledgee; and
- hold an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by laws in mainland China.

Despite the lack of legal majority ownership, our Cayman Islands holding company is considered the primary beneficiary of the VIE and consolidates the VIE and its subsidiaries as required by Accounting Standards Codification topic 810, *Consolidation*. Accordingly, we treat the VIE as our consolidated entities under U.S. GAAP and we consolidate the financial results of the VIE in our consolidated financial statements in accordance with U.S. GAAP. For more details of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIE and Its Shareholders."

However, the contractual arrangements may not be as effective as direct ownership in providing us with control over the VIE and we may incur substantial costs to enforce the terms of the arrangements. Uncertainties in the PRC legal system may limit our ability, as a Cayman Islands holding company, to enforce these contractual arrangements. Meanwhile, there are very few precedents as to whether contractual arrangements would be judged to direct the activities of the VIE through the contractual arrangements, or how contractual arrangements in the context of a VIE should be interpreted or enforced by the courts of mainland China. Should legal actions become necessary, we cannot guarantee that the court will rule in favor of the enforceability of the VIE contractual arrangements. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to direct the activities of the VIE, and our ability to conduct our business may be materially adversely affected. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—The contractual arrangements with the VIE and its shareholders may not be as effective as direct ownership in providing operational control."

There are also substantial uncertainties regarding the interpretation and application of current and future laws of mainland China, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIE and its nominee shareholders. It is uncertain whether any new laws or regulations of mainland China relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or the VIE is found to be in violation of any existing or future laws or regulations of mainland China, or fail to obtain or maintain any of the required permits, approvals, or filings, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. If the PRC government deems that our contractual arrangements with the VIE do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our Cayman Islands holding company, our mainland China subsidiaries and the VIE, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of the VIE and our company as a whole. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with laws and regulations of mainland China relating to the relevant industries, or if these laws and regulations or the interpretation of existing laws and regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations," and "—Our current corporate structure and business operations may be substantially affected by the Foreign Investment Law."

We face various risks and uncertainties related to doing business in China. Our business operations are primarily conducted in mainland China, and we are subject to complex and evolving laws and regulations of mainland China. For example, we face risks associated with regulatory approvals on overseas offerings conducted by and foreign investment in China-based issuers, the use of the VIE, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. For a detailed description of risks related to doing business in China, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China."

PRC government's authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature may cause the value of such securities to significantly decline or become worthless. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PRC government's oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our Class A ordinary shares and/or ADSs."

Risks and uncertainties arising from the PRC legal system, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our securities. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could adversely affect us."

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our subsidiaries and the VIE in China. Our operations in China are governed by laws and regulations of mainland China. As of the date of this annual report, our mainland China subsidiaries, the VIE and its subsidiaries have obtained the requisite licenses and permits from the PRC government authorities that are material for the business operations of our holding company, the VIE in mainland China, including, among others, the Value-added Telecommunications Business Operation License for information services via internet, or ICP License, Human Resource Services License, and other permits required for operating our business. We are required to but have not obtained a License for Online Transmission of Audio-Visual Programs for providing internet audio-visual program services through our online recruitment platform, including certain live streaming recruitment services, short videos relating to job hunting and recruitment, in-app streaming interview and career development related video courses. We do not consider such services to be material to our business and the revenues generated through the provision of such services account for an insignificant portion of our total revenues. We are not eligible to apply for a license under the current regulatory regime, because we are not a wholly state-owned or state-controlled entity as required for this license under laws of mainland China. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Any lack of or failure to maintain requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations, and compliance with applicable laws or regulations may require us to obtain additional approvals or licenses or change our business model." Given the uncertainties of interpretation and implementation of the laws and regulations and the enforcement practices of the government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future.

Furthermore, the PRC government has promulgated regulations and rules in recent years to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. Accordingly, there have been certain new or draft laws, regulations in relation to cybersecurity and data privacy, offerings conducted overseas by, and foreign investment in, China-based issuers. For more detailed information, see "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Overseas Securities Offerings," and "—Regulations Relating to Information Security and Censorship." According to these laws and regulations, we may be required to fulfill filing, reporting procedures and obtain approval from the China Securities Regulatory Commission, or the CSRC, in connection with follow-on offering and other equivalent overseas offering activities in an overseas market, and may be required to go through cybersecurity review by the Cyberspace Administration of China, or the CAC, in respect of our data processing activities. If these laws and regulations are enacted as currently proposed and we fail to obtain the approval or complete other filing procedures required for any future overseas offering or listing, we may face sanctions by the CSRC or other PRC regulatory authorities, which may include fines and penalties on our operations in mainland China, limitations on our operating privileges in mainland China, restrictions on or prohibition of the payments or remittance of dividends by our subsidiaries in mainland China, restrictions on or delays to our future financing transactions offshore, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The approval of or filing and reporting with the CSRC or other PRC government authorities may be required in connection with our overseas offerings under laws of mainland China, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing and reporting procedures," and "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our business is subject to complex and evolving laws and regulations in mainland China. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business."

Pursuant to an announcement posted by the CAC on July 5, 2021 relating to the cybersecurity review, our BOSS Zhipin app was required to suspend new user registration to cooperate with the cybersecurity review and prevent the expansion of risks. As approved by the Cybersecurity Review Office of the CAC, we have recommenced new user registration on our BOSS Zhipin app, effective from June 29, 2022. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our business is subject to complex and evolving laws and regulations in mainland China on data protection and cybersecurity. Any failure or perceived failure to comply with these laws and regulations could result in penalties, claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business."

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, or the HFCAA, as amended by the Consolidated Appropriations Act, 2023, if the Securities and Exchange Commission, or the SEC, determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the Public Company Accounting Oversight Board, or the PCAOB, for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended December 31, 2022 and do not expect to be identified so after we file this annual report on Form 20-F. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections," and "—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Cash and Asset Flows through Our Organization

KANZHUN LIMITED transfers cash to its wholly-owned Hong Kong subsidiary, by making capital contributions or providing loans, and the Hong Kong subsidiary transfer cash to the subsidiaries in mainland China by making capital contributions or providing loans to them. Because KANZHUN LIMITED and its subsidiary direct the activities of the VIE through contractual arrangements, they are not able to make direct capital contributions to the VIE and its subsidiaries. However, they may transfer cash to the VIE by loans or by making payment to the VIE for inter-group transactions.

For the years ended December 31, 2022, 2023 and 2024, KANZHUN LIMITED provided capital contributions of RMB39.4 million, RMB7.1 million and nil, respectively, to its subsidiaries; and the Hong Kong subsidiary provided capital contributions of RMB19.7 million, RMB0.7 million and nil, respectively, to its subsidiaries in mainland China. For the years ended December 31, 2022, 2023 and 2024, KANZHUN LIMITED provided loan financing of RMB633.5 million, RMB9.7 billion and RMB249.8 million (US$34.2 million), respectively, to its subsidiaries; and received repayments of loans of nil, RMB5.0 billion and RMB1.7 billion (US$239.6 million), respectively, from its subsidiaries. For the years ended December 31, 2022, 2023 and 2024, the VIE repaid loan financing of RMB35.1 million, nil and nil, respectively, to the Hong Kong subsidiary.

The VIE may also transfer cash to our WFOE by paying service fees according to the exclusive technology and service cooperation agreement between our WFOE and the VIE. The VIE did not pay any service fees to our WFOE in 2022 or 2023. In 2024, the VIE recorded RMB406.5 million (US$55.7 million) in service fees payable to our WFOE. As of December 31, 2024, RMB350.9 million (US$48.1 million) had been settled. In addition, the VIE transferred fix assets at a consideration of RMB46.0 million (US$6.3 million) to our WFOE in 2024.

For the years ended December 31, 2022, 2023 and 2024, no dividends or distributions were made to KANZHUN LIMITED by our subsidiaries. Under laws and regulations of mainland China, our mainland China subsidiaries and the VIE are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by the State Administration of Foreign Exchange, or SAFE. The amounts restricted include the paid-in capital and the statutory reserve funds of our mainland China subsidiaries and the VIE, totaling RMB767.9 million (US$105.2 million) as of December 31, 2024. Furthermore, cash transfers from our mainland China subsidiaries to entities outside of mainland China are subject to PRC government control of currency conversion. Shortages in the availability of foreign currency may temporarily delay the ability of our mainland China subsidiaries and the VIE to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. For risks relating to the fund flows of our operations in mainland China, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business."

In November 2023, our board of directors approved a special cash dividend in the amount of US$0.09 per Class A ordinary share, or US$0.18 per ADS. The aggregate amount of the dividend was approximately US$79.2 million. Our board of directors may declare, and our company may pay, dividends after taking into account the results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as they may deem relevant. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy." For the Cayman Islands, PRC and U.S. federal income tax considerations applicable to an investment in our ADSs or Class A ordinary shares, see "Item 10. Additional Information—E. Taxation."

For purposes of illustration, the following discussion reflects the hypothetical taxes that might be required to be paid within mainland China, assuming that: (i) we have taxable earnings, and (ii) we determine to pay a dividend in the future:

	Tax calculation[1]
Hypothetical pre-tax earnings[2]	100.0 %
Tax on earnings at statutory rate of 25%[3]	(25.0)%
Net earnings available for distribution	75.0 %
Withholding tax at standard rate of 10%[4]	(7.5)%
Net distribution to Parent/Shareholders	67.5 %

Notes:

(1) For purposes of this example, the tax calculation has been simplified.

(2) The hypothetical pre-tax earnings are assumed to equal taxable income in mainland China, without considering timing differences. Under the terms of contractual agreements with the VIE, our WFOE may charge the VIE for services provided to the VIE. These service fees shall be recognized as expenses of the VIE, with a corresponding amount recorded as service income by our WFOE and eliminated in consolidation. For income tax purposes, our WFOE and the VIE file income tax returns on a separate company basis and the above service fees are tax neutral.

(3) The VIE qualifies for a 15% preferential income tax rate in mainland China. However, such rate is subject to qualification, is temporary in nature, and may not be available in a future period when distributions are paid. For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.

(4) The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise, or FIE, to its immediate holding company outside of mainland China. A lower withholding income tax rate of 5% is applied if the FIE's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with mainland China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

The table above has been prepared under the assumption that all profits of the VIE will be distributed as fees to our WFOE under tax neutral contractual arrangements. If, in the future, the accumulated earnings of the VIE exceed the service fees paid to our subsidiary in mainland China (or if the current and contemplated fee structure between the intercompany entities is determined to be non-substantive and disallowed by Chinese tax authorities), the VIE could make a non-deductible transfer to our subsidiary in mainland China for the amounts of the stranded cash in the VIE. This would result in such transfer being non-deductible expenses for the VIE but still taxable income for the subsidiary in mainland China. Our management believes that there is only a remote possibility that this scenario would happen.

Financial Information Related to the VIE

The following table presents our condensed consolidating schedule of financial information for our holding company, KANZHUN LIMITED, the WFOE that is the primary beneficiary of the VIE, the VIE and VIE's subsidiaries, and other subsidiaries as of the dates presented:

Selected Condensed Consolidating Statements of Operations Data

	For the Year Ended December 31, 2024					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
			(in RMB thousands)			
Third-party revenues	—	467,501	—	6,888,176	—	7,355,677
Inter-company revenues[1]	—	293,350	406,464	163,324	(863,138)	—
Third-party operating cost and expenses	(89,778)	(957,710)	(275,973)	(4,899,061)	—	(6,222,522)
Inter-company operating cost and expenses[1]	(778)	(163,325)	—	(699,035)	863,138	—
Other operating (expenses)/income, net	(214)	6,967	586	32,452	—	39,791
(Loss)/Income from operations	**(90,770)**	**(353,217)**	**131,077**	**1,485,856**	**—**	**1,172,946**
Other non-operating income, net	273,166	285,650	233	102,935	(2,270)	659,714
Share of income of subsidiaries and VIE[2]	1,402,268	1,468,947	1,368,435	—	(4,239,650)	—
Income before income tax expenses	**1,584,664**	**1,401,380**	**1,499,745**	**1,588,791**	**(4,241,920)**	**1,832,660**
Income tax expenses	—	(14,368)	(30,798)	(220,468)	—	(265,634)
Net income	**1,584,664**	**1,387,012**	**1,468,947**	**1,368,323**	**(4,241,920)**	**1,567,026**

	For the Year Ended December 31, 2023					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
			(in RMB thousands)			
Third-party revenues	—	129,127	—	5,822,901	—	5,952,028
Inter-company revenues[1]	—	62,780	—	44,982	(107,762)	—
Third-party operating cost and expenses	(62,291)	(251,034)	(2,241)	(5,090,876)	—	(5,406,442)
Inter-company operating cost and expenses[1]	—	(44,982)	—	(62,780)	107,762	—
Other operating income, net	—	812	231	34,342	—	35,385
(Loss)/Income from operations	**(62,291)**	**(103,297)**	**(2,010)**	**748,569**	**—**	**580,971**
Other non-operating income, net	268,481	289,739	13,383	71,007	(1,792)	640,818
Share of income of subsidiaries and VIE[2]	893,037	708,013	697,047	—	(2,298,097)	—
Income before income tax expenses	**1,099,227**	**894,455**	**708,420**	**819,576**	**(2,299,889)**	**1,221,789**
Income tax benefit/(expenses)	—	374	(407)	(122,538)	—	(122,571)
Net income	**1,099,227**	**894,829**	**708,013**	**697,038**	**(2,299,889)**	**1,099,218**

	For the Year Ended December 31, 2022					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
	(in RMB thousands)					
Third-party revenues	—	12,931	—	4,498,131	—	4,511,062
Inter-company revenues[1]	—	33,956	—	—	(33,956)	—
Third-party operating cost and expenses	(79,956)	(188,218)	(2,020)	(4,387,982)	—	(4,658,176)
Inter-company operating cost and expenses[1]	—	—	—	(33,956)	33,956	—
Other operating (expenses)/income, net	—	(656)	—	18,251	—	17,595
(Loss)/Income from operations	**(79,956)**	**(141,987)**	**(2,020)**	**94,444**	**—**	**(129,519)**
Other non-operating income, net	188,421	14,683	13,945	32,706	(3,240)	246,515
Share of (loss)/income of subsidiaries and VIE[2]	(1,220)	132,486	117,298	—	(248,564)	—
Income before income tax expenses	**107,245**	**5,182**	**129,223**	**127,150**	**(251,804)**	**116,996**
Income tax benefit/(expenses)	—	101	—	(9,852)	—	(9,751)
Net income	**107,245**	**5,283**	**129,223**	**117,298**	**(251,804)**	**107,245**

Selected Condensed Consolidating Balance Sheets Data

	As of December 31, 2024					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
	(in RMB thousands)					
Cash and cash equivalents	93,851	894,983	150,072	1,414,184	—	2,553,090
Short-term time deposits	738,831	4,749,800	—	—	—	5,488,631
Short-term investments	1,999,870	193,537	—	4,445,982	—	6,639,389
Accounts and notes receivable, net	—	15,725	—	24,988	—	40,713
Inventories	—	—	—	3,042	—	3,042
Amounts due from Group companies[3]	5,962,934	184,573	68,320	379,885	(6,595,712)	—
Amounts due from related parties	—	673	—	6,585	—	7,258
Prepayments and other current assets	45,682	42,408	3,234	276,936	—	368,260
Investments in subsidiaries and VIE[2]	4,679,986	4,847,059	4,671,300	—	(14,198,345)	—
Long-term investments	1,607,361	54,677	—	252,492	—	1,914,530
Property, equipment and software, net	—	189,071	75,564	1,469,151	—	1,733,786
Right-of-use assets, net	—	83,150	11,871	207,835	—	302,856
Intangible assets, net	—	252,400	—	189	—	252,589
Goodwill	—	6,528	—	—	—	6,528
Total assets	**15,128,515**	**11,514,584**	**4,980,361**	**8,481,269**	**(20,794,057)**	**19,310,672**
Accounts payable	—	8,583	30,393	71,692	—	110,668
Deferred revenue	—	294,059	—	2,790,780	—	3,084,839
Other payables and accrued liabilities	97,012	151,706	74,017	493,032	—	815,767
Amounts due to Group companies[3]	164,132	6,197,373	6,072	228,135	(6,595,712)	—
Operating lease liabilities, current	—	27,789	9,405	143,588	—	180,782
Operating lease liabilities, non-current	—	58,063	2,280	61,002	—	121,345
Deferred tax liabilities	—	1,455	11,135	21,861	—	34,451
Total liabilities	**261,144**	**6,739,028**	**133,302**	**3,810,090**	**(6,595,712)**	**4,347,852**
Total shareholders' equity[2]	**14,867,371**	**4,775,556**	**4,847,059**	**4,671,179**	**(14,198,345)**	**14,962,820**
Total liabilities and shareholders' equity	**15,128,515**	**11,514,584**	**4,980,361**	**8,481,269**	**(20,794,057)**	**19,310,672**

	As of December 31, 2023					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
	(in RMB thousands)					
Cash and cash equivalents	760,071	219,045	349,875	1,143,968	—	2,472,959
Short-term time deposits	710,330	5,928,093	72,938	211,442	—	6,922,803
Short-term investments	731,805	91,634	10,483	2,679,963	—	3,513,885
Accounts receivable, net	—	13,036	—	3,691	—	16,727
Amounts due from Group companies[3]	6,952,437	68,702	11,369	200,970	(7,233,478)	—
Amounts due from related parties	—	29	—	3,937	—	3,966
Prepayments and other current assets	18,528	6,075	2,408	415,686	—	442,697
Investments in subsidiaries and VIE[2]	2,179,517	2,888,791	2,479,473	—	(7,547,781)	—
Long-term investments	2,323,540	—	—	149,588	—	2,473,128
Property, equipment and software, net	—	132,263	93	1,661,132	—	1,793,488
Right-of-use assets, net	—	22,556	—	260,056	—	282,612
Intangible assets, net	—	7,816	—	277	—	8,093
Goodwill	—	5,690	—	—	—	5,690
Other non-current assets	—	—	—	4,000	—	4,000
Total assets	**13,676,228**	**9,383,730**	**2,926,639**	**6,734,710**	**(14,781,259)**	**17,940,048**
Accounts payable	—	554	17	628,645	—	629,216
Deferred revenue	—	144,493	—	2,649,582	—	2,794,075
Other payables and accrued liabilities	115,280	39,798	587	623,381	—	779,046
Amounts due to Group companies[3]	131,746	6,995,928	36,838	68,966	(7,233,478)	—
Operating lease liabilities, current	—	8,912	—	146,102	—	155,014
Operating lease liabilities, non-current	—	12,964	—	112,115	—	125,079
Deferred tax liabilities	—	1,564	406	26,455	—	28,425
Total liabilities	**247,026**	**7,204,213**	**37,848**	**4,255,246**	**(7,233,478)**	**4,510,855**
Total shareholders' equity[2]	**13,429,202**	**2,179,517**	**2,888,791**	**2,479,464**	**(7,547,781)**	**13,429,193**
Total liabilities and shareholders' equity	**13,676,228**	**9,383,730**	**2,926,639**	**6,734,710**	**(14,781,259)**	**17,940,048**

Selected Condensed Consolidating Cash Flows Data

	For the Year Ended December 31, 2024					
	KANZHUN LIMITED	**Other Subsidiaries**	**Primary Beneficiary of VIE**	**VIE and VIE's Subsidiaries**	**Eliminations**	**Consolidated Total**
	(in RMB thousands)					
Net cash (used in)/provided by operating activities with third parties	(212,945)	617,281	(173,610)	3,311,769	—	3,542,495
Net cash provided by/(used in) operating activities with Group companies[1]	—	192,785	371,932	(564,717)	—	—
Net cash (used in)/provided by operating activities	**(212,945)**	**810,066**	**198,322**	**2,747,052**	**—**	**3,542,495**
Loans to Group companies[3]	(249,766)	—	—	—	249,766	—
Proceeds from repayments of loans to Group companies[3]	1,749,243	—	—	—	(1,749,243)	—
Intercompany transfer of property, equipment and software[4]	—	—	(45,961)	45,961	—	—
Intercompany transfer of investments in subsidiaries and VIE[4]	—	9,968	(3,010)	(6,958)	—	—
Other investing activities with third parties	(505,171)	1,004,106	5	(2,515,839)	—	(2,016,899)
Net cash provided by/(used in) investing activities	**994,306**	**1,014,074**	**(48,966)**	**(2,476,836)**	**(1,499,477)**	**(2,016,899)**
Loans from Group companies[3]	—	249,766	—	—	(249,766)	—
Repayments of loans from Group companies[3]	—	(1,749,243)	—	—	1,749,243	—
Other financing activities with third parties	(1,460,539)	—	—	—	—	(1,460,539)
Net cash used in financing activities	**(1,460,539)**	**(1,499,477)**	**—**	**—**	**1,499,477**	**(1,460,539)**

	For the Year Ended December 31, 2023					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
	(in RMB thousands)					
Net cash provided by operating activities with third parties	9,873	300,164	13,210	2,723,762	—	3,047,009
Net cash provided by/(used in) operating activities with Group companies[1]	—	5,853	—	(5,853)	—	—
Net cash provided by operating activities	**9,873**	**306,017**	**13,210**	**2,717,909**	**—**	**3,047,009**
Investments in subsidiaries[2]	(7,073)	—	—	—	7,073	—
Loans to Group companies[3]	(9,667,616)	—	—	(6,250)	9,673,866	—
Proceeds from repayments of loans to Group companies[3]	4,955,876	—	4,450	—	(4,960,326)	—
Other investing activities with third parties	(2,311,881)	(5,054,055)	15,225	(2,587,934)	—	(9,938,645)
Net cash (used in)/provided by investing activities	**(7,030,694)**	**(5,054,055)**	**19,675**	**(2,594,184)**	**4,720,613**	**(9,938,645)**
Capital contribution from Group companies[2]	—	7,073	—	—	(7,073)	—
Loans from Group companies[3]	—	9,673,866	—	—	(9,673,866)	—
Repayments of loans from Group companies[3]	—	(4,960,326)	—	—	4,960,326	—
Other financing activities with third parties	(417,022)	—	—	—	—	(417,022)
Net cash (used in)/provided by financing activities	**(417,022)**	**4,720,613**	**—**	**—**	**(4,720,613)**	**(417,022)**

	For the Year Ended December 31, 2022					
	KANZHUN LIMITED	Other Subsidiaries	Primary Beneficiary of VIE	VIE and VIE's Subsidiaries	Eliminations	Consolidated Total
	(in RMB thousands)					
Net cash provided by/(used in) operating activities with third parties	208,862	(113,736)	(6,833)	914,749	—	1,003,042
Net cash provided by/(used in) operating activities with Group companies[1]	—	21,671	—	(21,671)	—	—
Net cash provided by/(used in) operating activities	**208,862**	**(92,065)**	**(6,833)**	**893,078**	**—**	**1,003,042**
Investments in subsidiaries[2]	(39,392)	—	—	—	39,392	—
Loans to Group companies[3]	(633,490)	—	(4,450)	—	637,940	—
Proceeds from repayments of loans to Group companies[3]	—	35,144	—	—	(35,144)	—
Other investing activities with third parties	(1,365,740)	(673,476)	(74,823)	(702,542)	—	(2,816,581)
Net cash used in investing activities	**(2,038,622)**	**(638,332)**	**(79,273)**	**(702,542)**	**642,188**	**(2,816,581)**
Capital contribution from Group companies[2]	—	39,392	—	—	(39,392)	—
Loans from Group companies[3]	—	637,940	—	—	(637,940)	—
Repayments of loans from Group companies[3]	—	—	—	(35,144)	35,144	—
Other financing activities with third parties	(669,232)	—	—	—	—	(669,232)
Net cash (used in)/provided by financing activities	**(669,232)**	**677,332**	**—**	**(35,144)**	**(642,188)**	**(669,232)**

Notes:
(1) It represents the elimination of intercompany service fees charged/received.
(2) It represents the elimination of share of income of subsidiaries and VIE and investments in subsidiaries and the VIE.
(3) It represents the elimination of intercompany balances and loan financing.
(4) It represents the elimination of intercompany transfer of property, plant and software and investments in subsidiaries and VIE.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

Risks Relating to Our Business and Industry

- If we fail to implement new technologies, develop and provide innovative features and services, respond to evolving user preferences, enhance user friendliness of our online recruitment platform, or optimize our technology systems, we may not be able to improve user experience, which may have a material and adverse effect on our user growth and retention, business, financial condition and results of operations.

- Our business depends on the continued success of our brands, and if we fail to maintain and enhance the recognition of our brands cost-effectively, or the recognition of our brands is adversely affected by any negative publicity concerning us or our directors, management, shareholders or business partners, our reputation and operating results may be harmed.

- We face significant competition in China's dynamic online recruitment service market, and potential market entries by established players from other industries may make competition even more fierce. Our market share, financial condition and results of operations may be materially and adversely affected if we are unable to compete effectively.

- If our technology capabilities fail to yield satisfactory results or fail to improve, our online recruitment platform may not be able to effectively match our job seekers with suitable enterprise users or to optimally recommend services for our users, and our user growth, retention, results of operations and business prospects may suffer consequently.

- A slowdown or adverse development in the Chinese or global economy may lower the hiring willingness and budget of our current and potential enterprise users, adversely affecting the demand for our services and our business in general.

- Our users may engage in intentional or negligent misconduct or other improper activities on our online recruitment platform or otherwise misuse our online recruitment platform, which may damage our brand image and reputation, our business and our results of operations.

- Because we store and process data, some of which contains sensitive personal information, we face concerns over the collection, improper use or disclosure of personal information, which could deter current and potential users from using our services, damage our reputation, result in legal liability, bring regulatory scrutiny, and in turn materially and adversely affect our business, financial condition and results of operations.

- Our business is subject to complex and evolving laws and regulations in mainland China on data protection and cybersecurity. Any failure or perceived failure to comply with these laws and regulations could result in penalties, claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

- Heightened tensions in international relations, particularly between the United States and China, including restrictions on trade and investment could have a material and adverse effect on our business, financial condition, results of operations, and prospects, as well as the trading price of our ADSs.

Risks Relating to Our Corporate Structure

- We are a Cayman Islands holding company with no equity ownership in the VIE and we conduct our operations in mainland China primarily through the VIE, with which we have maintained contractual arrangements. Investors in our ADSs thus are not purchasing equity interest in the VIE in mainland China but instead are purchasing equity interest in a Cayman Islands holding company. If the PRC government finds that the agreements that establish the structure for operating our business do not comply with laws and regulations of mainland China, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our holding company, the VIE and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of the VIE and our company as a whole.

- The contractual arrangements with the VIE and its shareholders may not be as effective as direct ownership in providing operational control.

- Any failure by the VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

Risks Relating to Doing Business in China

- Changes in China's economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations.
- Uncertainties in the interpretation and enforcement of PRC laws and regulations could adversely affect us.
- The PRC government's oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our Class A ordinary shares and/or ADSs.
- The approval of or filing and reporting with the CSRC or other PRC government authorities may be required in connection with our overseas offerings under laws of mainland China, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing and reporting procedures.
- The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.
- Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Risks Relating to Our Shares and Our ADSs

- The trading price of the ADSs has been and may be, and the trading price of our Class A ordinary shares can be, volatile, which could result in substantial losses to investors.
- Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares or ADSs may view as beneficial.
- The dual-class structure of our ordinary shares may adversely affect the trading market for our Class A ordinary shares and/or ADSs.
- If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding the Class A ordinary shares and/or ADSs, the market price for our Class A ordinary shares and ADSs and trading volume could decline.

Risks Relating to Our Business and Industry

If we fail to implement new technologies, develop and provide innovative features and services, respond to evolving user preferences, enhance user friendliness of our online recruitment platform, or optimize our technology systems, we may not be able to improve user experience, which may have a material and adverse effect on our user growth and retention, business, financial condition and results of operations.

Our success depends upon our ability to attract and retain job seekers and enterprise users. Our ability to retain and attract job seekers largely depends on the number of job postings and employers on our online recruitment platform. Our ability to retain and attract enterprise users primarily depends on the number of the job seekers using our online recruitment platform. To encourage more enterprise users and job seekers to come and stay on our online recruitment platform, improving user experience for both is a must.

An important way to improve user experience and attract more users is to introduce innovative services and features that are useful for users and that encourage more frequent use of our online recruitment platform. To develop, support and maintain such innovative services and features often requires implementation of new technologies, and we intend to continue to devote resources to the development of additional technologies and services. However, implementation of new technologies in our system may take a long time and may involve technical challenges and large amounts of capital and personnel resources. We may not be able to effectively integrate new technologies on a timely basis, or at all, which may decrease user satisfaction with our services. Such technologies, even if integrated, may not function as expected or may be unable to attract and retain a substantial number of users to use our online recruitment platform. Any failure to keep pace with rapid technological changes may cause our user retention to suffer.

In addition, we must also continue to respond promptly to evolving user preferences, enhance the user friendliness of our online recruitment platform, optimize our mobile applications, and otherwise continue to improve our technology systems, all of which may require us to incur substantial costs and expenses. For example, as part of our efforts to meet evolving user preferences, we have established a dedicated team to develop services uniquely designed to meet the needs of blue-collar job seekers. If such costs and expenses fail to effectively translate into improved user experience or user growth, we may not be successful in retaining and attracting our users.

We cannot assure you that our efforts to improve user experience and increase user base will always be successful. We also cannot predict whether our new products, service and features will be well received by users consistently, or whether we will be successful in implementing new technologies in a cost-effective manner, enhancing user friendliness of our online recruitment platform, and otherwise improving our technology systems. If we cannot improve user experience, we may not be able to retain or attract users, and our business, financial condition and results of operations may be materially and adversely affected.

Our business depends on the continued success of our brands, and if we fail to maintain and enhance the recognition of our brands cost-effectively, or the recognition of our brands is adversely affected by any negative publicity concerning us or our directors, management, shareholders or business partners, our reputation and operating results may be harmed.

We believe that maintaining and enhancing our brands is important to the success of our business. Well-recognized brands are critical to increasing the number and the level of engagement of our users. Since we operate in a competitive industry, brand maintenance and enhancement also directly affect our ability to maintain our market position. We have continued to exercise strict quality control on our online recruitment platform to ensure that our brand image is not tarnished by substandard services. We have also conducted and will continue to conduct various marketing and brand promotion activities both online and offline to enhance our brands, to guide public perception of our brands, services, and ultimately to distinguish our online recruitment platform from those of our competitors. We have historically spent significantly on these marketing and promotional activities, with our sales and marketing expenses accounting for 44.4%, 33.5% and 28.2% of our revenues in the years ended December 31, 2022, 2023 and 2024, respectively, and we may need to increase such sales and marketing expenses in the future to continue to maintain and enhance brand awareness and brand loyalty, to retain and attract users as well as to promote our online recruitment platform. However, there can be no assurance that these sales and marketing activities will be successful or that we will be able to achieve the brand promotion effect we expect from them. If we cannot properly manage our sales and marketing expenses or if our sales and marketing activities underperform our expectations, our financial condition, results of operations and business prospects will be damaged as a result.

Moreover, any negative publicity relating to our company, our services or our directors, management, shareholders or business partners, regardless of its veracity, could harm our brands and the perception of our brands in the market. As our business expands and grows, we may be exposed to heightened public scrutiny in markets where we already operate as well as in new markets where we may operate. We could become a target for regulatory or public scrutiny in the future and scrutiny and public exposure could severely damage our reputation as well as our business and prospects.

Furthermore, our brand names and our business may be harmed by aggressive marketing and communication strategies by competitors and third parties. We may be subject to government or regulatory investigation or third-party claims as a result and we may be required to spend significant time and incur substantial costs to react to and address these consequences. There is no assurance that we will be able to effectively refute allegations within a reasonable period of time, or at all. Additionally, public allegations, directly or indirectly, against us or our directors, management, shareholders or business partners, may be posted online by anyone on an anonymous basis. The availability of information on social media platforms is virtually immediate, as is its impact. Social media platforms may not necessarily filter or check the accuracy of information before publishing them, and we may be afforded little or no time to respond. As a result, our reputation may be materially and adversely affected, our ability to attract and retain users and maintain our market share may suffer, and our financial conditions may deteriorate.

We face significant competition in China's dynamic online recruitment service market, and potential market entries by established players from other industries may make competition even more fierce. Our market share, financial condition and results of operations may be materially and adversely affected if we are unable to compete effectively.

The online recruitment service market in China is competitive and rapidly evolving. We face constant pressure to attract and retain users, expand the market for our services and incorporate new capabilities and technologies. Our online recruitment platform competes with other major dedicated job search platforms and niche market players that focus on certain industry verticals, such as technology, or user segments, such as job seekers for high-end positions. Other large internet companies and classified advertisement platforms have also entered the market for online recruitment services. In addition, we face competition from professional networking platforms and existing participants in the offline recruitment industry who may develop online recruitment services and products.

Many of our competitors or potential competitors have long operating histories, international strategic partners, local government sponsorship, or a larger user base, and they may have greater financial, management, technological development, sales, marketing and other resources than we do. They may also be able to adopt our business model and intensify their competition with us. As a result, we may experience reduced margins, loss of market share or less use of our services and products by job seekers and enterprise users. Existing or future competitors could develop or offer services and products which provide significant performance, price, creative, technological or other advantages over the counterparts we offer. If we are unable to compete effectively with current or future competitors as a result of these or other factors, our market share, financial condition and results of operations may be materially and adversely affected.

If our technology capabilities fail to yield satisfactory results or fail to improve, our online recruitment platform may not be able to effectively match our job seekers with suitable enterprise users or to optimally recommend services for our users, and our user growth, retention, results of operations and business prospects may suffer consequently.

One of the core strengths of our online recruitment platform is our ability to provide accurate and tailored two-sided recommendations to enterprise users and job seekers. This ability is largely dependent on our technology capabilities. Our technology capabilities such as our capabilities in big data analytics, therefore, are crucial to us continuing to retain and attract users to our online recruitment platform. Our users will continue to compare this core strength of our online recruitment platform against those of the platforms run by our competitors, and may switch to a competitor platform if our online recruitment platform underperforms their expectations. In addition, managing some of the other important aspects of our operations, such as sales and marketing activities, also requires us to make decisions informed by our technology, including data analytics. Any failure to improve our technology capabilities and any failure of our technology capabilities to produce satisfactory results may materially and adversely affect our user retention, financial condition and results of operations.

A slowdown or adverse development in the Chinese or global economy may lower the hiring willingness and budget of our current and potential enterprise users, adversely affecting the demand for our services and our business in general.

The global macroeconomic environment still faces numerous challenges. The Russia-Ukraine conflict, the Hamas-Israel conflict and the attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. The impact of the Russia-Ukraine conflict on Ukraine food exports has contributed to increases in food prices and thus to inflation more generally. There have also been concerns about the relationship between China and other countries which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to a wide range of issues including trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Substantially all of our operations are conducted in mainland China, and the vast majority of our revenues are generated from providing services to enterprise customers operating in mainland China. In an environment of slower economic growth or recession, employers may take actions such as hiring fewer employees, engaging in hiring freezes, reducing hiring budgets or the number of hiring headcount, and curtailing spending on online recruitment services and other human resource related services. Therefore, any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition. In addition, turbulence in the international markets could adversely affect our ability to access capital markets to meet liquidity needs.

Heightened tensions in international relations, particularly between the United States and China, including restrictions on trade and investment could have a material and adverse effect on our business, financial condition, results of operations, and prospects, as well as the trading price of our ADSs.

Recently there have been heightened tensions in international relations, particularly between the United States and China. These tensions have affected both diplomatic and economic ties between the two countries. For example, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment to implement the executive order of August 9, 2023. The final rule became effective on January 2, 2025. The final rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as Covered Foreign Persons. U.S. persons subject to the final rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as Covered Transactions. We do not believe KANZHUN LIMITED is a Covered Foreign Person as defined under the final rule. If we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital would be significantly and negatively affected. In such case, the trading price of our shares and/or the ADSs may be materially and adversely affected. In addition, the U.S. has imposed or proposed the imposition of new tariffs on products imported into the U.S. from a number of countries, such as China and Canada and could propose additional tariffs or increases to those already in place. Major developments in trade relations, including the imposition of new or increased tariffs by the U.S. and/or other countries could alter the trade environment and negatively affect the hiring demands of our customers which, in turn, could have an adverse effect on our financial condition and results of operations. Escalating U.S.-China tariff tensions have triggered a chain reaction of economic and political repercussions, potentially worsening bilateral relations. U.S. legislative and policy initiatives may impose stricter measures on China-based companies listed on U.S. exchanges. Heightened tensions could also reduce levels of trade, investments, technological exchanges, and other economic activities between the two major economies. The existing tensions and any further deterioration in the relationship between the United States and China may have a negative impact on the general, economic, political, and social conditions in both countries and, given our reliance on the Chinese market, adversely impact our business, financial condition, and results of operations.

Our users may engage in intentional or negligent misconduct or other improper activities on our online recruitment platform or otherwise misuse our online recruitment platform, which may damage our brand image and reputation, our business and our results of operations.

Our online recruitment platform has instant messaging functions that allow users to communicate with each other and engage in job application activities. We adopt a comprehensive suite of registration procedures to verify the identity of our job seekers and enterprise users. Job seekers are required to complete our mobile phone verification process by providing personal and professional information such as name, education background, employment status, recent employment, work experience, position desired, and salary expectation. Since we have limited control over the real-time and offline behavior of our users, it is still possible for our online recruitment platform to be misused by our users for inappropriate or illegal purposes.

We may be required by governmental authorities to report certain misbehaviors for further investigation if such misbehaviors are subject to regulatory investigation or other governmental proceedings. Despite our detection and filtering efforts, we may not be able to identify every incident of inappropriate content or illegal or fraudulent activities, prevent all such content from being further disseminated or prohibit such activities from occurring. We may not be able to filter all the content generated by our users as it appears, especially in the context of instant messaging between job seekers and enterprise users. Therefore, our users may engage in illegal, obscene or incendiary conversations or engage in unethical or illegal activities via our online recruitment platform.

If user misconduct and misuse of our online recruitment platform for inappropriate or illegal purposes occur on our online recruitment platform, claims may be brought against us for torts, defamation, libel, negligence, copyright, patent or trademark infringement. In response to allegations of illegal or inappropriate activities conducted through our online recruitment platform, governmental authorities may intervene and hold us liable for non-compliance with applicable laws and regulations and subject us to administrative penalties or other sanctions, such as requiring us to restrict or discontinue some or all of our features and services. In addition, our users may suffer or allege to have suffered physical, financial or emotional harm caused by contacts initiated on our online recruitment platform. Our business and public perception of our brands may be materially and adversely affected if we do face civil lawsuits or other liabilities initiated by such affected users. Defending any actions brought by such affected users could be costly and require significant time and attention of our management and other resources, which would materially and adversely affect our business.

We are exposed to potential legal liabilities associated with the recruitment process, which may have a material adverse effect on our business and results of operations.

We are exposed to potential claims associated with the recruitment process, including claims by enterprise users seeking to hold us liable for recommending a job seeker who subsequently proves to be unsuitable for the position filled, claims by current or previous employers alleging breach of employment contracts, claims by job seekers against us alleging our failure to maintain the confidentiality of their personal information and employment searches or alleging discrimination or other violations of employment law or other laws or regulations by our enterprise users, and claims by either employers or their employees alleging the failure of our services to comply with laws or regulations relating to employment, data privacy or other related matters. We do not maintain insurance coverage for liabilities arising from claims by employers, employees, candidates or third parties. Any such claims, regardless of merit, may force us to participate in time-consuming, costly litigation or investigation, divert significant management and staff attention, and damage our reputation and brand names.

If our job seekers' or employers' profiles are out-of-date, inaccurate, fraudulent or lack credible information, we may not be able to effectively create value for our users, which could materially and adversely impact our reputation and business prospects.

We adopt a suite of registration procedures to verify the identity of our job seekers and enterprise users, and we also have ongoing risk assessment procedures for enterprise users. Our intelligence system detects suspicious user input that may undermine the integrity of the community and will then require such users to go through additional authentication procedures. See "Item 4. Information on the Company—B. Business Overview—Vigorous User Verification & AI Powered Risk Assessment" for further details. However, we cannot assure you that we will be able to remove all the job seekers and enterprise users that submit out-of-date, inaccurate, fraudulent or otherwise untrustworthy profile or job post information to our database. If we are not able to effectively filter out these job seekers and enterprise users, our users that submit legitimate and accurate profile information may be misled or even defrauded by them, wasting their time and resources in the recruitment process, and our reputation and business prospects will also be materially and adversely impacted as a result. We might also be ordered to make rectifications or even be subject to confiscation of illegal gains and a fine in an amount of up to RMB30,000 if we fail to review the authenticity and legality of the materials provided by the employers in accordance with the laws of mainland China. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Talent Intermediary Services" for further details.

If we fail to attract more enterprise users to our online recruitment platform, or if enterprise customers decide to purchase less of our online recruitment services for any reason, our revenues may stagnate or decline and our business and prospects may be materially and adversely affected.

In 2022, 2023 and 2024, approximately 99% of our revenues were generated from enterprise customers. Enterprise customers are by far the most important source of revenue for us, and attracting more enterprise users to our online recruitment platform is therefore of critical importance to us. Due to their contribution to our revenues and ability to spend, large businesses with sufficient funds would benefit us most as a revenue source, and we need to invest in developing and promoting services that meet their needs. Additionally, SMEs can also be a source of enterprise user growth for us, as they have historically been underserved and usually lack direct access to a scaled user base and effective means to recruit widely. In order to expand our market reach to more small and mid-sized businesses, especially in less developed cities, we provide free or lower-fee services or subscription packages to them so they can take advantage of our online recruitment platform. We, however, cannot assure you that our efforts will convince more enterprise users to use our online recruitment platform. There is also no guarantee that our existing enterprise customers will continue to pay for our online recruitment services at the same frequency or price going forward, as competition or alternative means of job hunting may put pressure on the demand and pricing for our online recruitment services. If we are not successful in expanding our enterprise user base or improving our monetization of enterprise customers, our revenues may stagnate or decline and our business and prospects may be materially and adversely affected.

Because we store and process data, some of which contains sensitive personal information, we face concerns over the collection, improper use or disclosure of personal information, which could deter current and potential users from using our services, damage our reputation, result in legal liability, bring regulatory scrutiny, and in turn materially and adversely affect our business, financial condition and results of operations.

We are subject to the laws, regulations, guidelines and national standards relating to the protection of personal information in mainland China, which covers areas such as the collection, storage, use, transmission, sharing or other aspects of data processing of such personal information. For example, the PRC Personal Information Protection Law took effect on November 1, 2021. This law consolidates rules with respect to personal information rights and privacy protection and specifies the protection requirements for processing personal information and rules for processing sensitive personal information. As uncertainties remain regarding the interpretation and implementation of this law, we cannot assure that we will comply with it in all respects, or that regulatory authorities will not order us to rectify or terminate our current practice of collecting and processing personal information. We and our directly responsible supervisors may also become subject to fines and other penalties which may have a material adverse effect on our business, operations and financial condition. The Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications, which were jointly promulgated by the Ministry of Industry and Information Technology, or the MIIT, the CAC, the Ministry of Public Security, and the State Administration for Market Regulation, or the SAMR, on March 12, 2021 and became effective on May 1, 2021, specifies that the scope of necessary personal information for job hunting and recruitment applications includes mobile phone numbers of registered users and resume provided by job seekers.

The PRC Cyber Security Law, which became effective on June 1, 2017, created mainland China's first national-level data protection framework for "network operators." It requires, among other things, that network operators take security measures to protect the network from unauthorized interference, damage and unauthorized access and prevent data from being divulged, stolen or tampered with. Network operators are also required to collect and use personal information in compliance with the principles of legitimacy, properness and necessity, and strictly within the scope of authorization by the personal information subject unless otherwise prescribed by laws or regulations. We may need to invest significant capital, managerial and human resources to comply with legal requirements, enhance information security and address any issues caused by security failures. See also "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security and Censorship" and "—Regulations Relating to Privacy Protection." Any concerns or claims about our practices with regard to the collection, storage, use, transmission, sharing or other aspects of data processing of personal information or other privacy-related matters, even if ungrounded, could damage our reputation and results of operations.

Any system failure or compromise of our security that results in the unauthorized access to or release of personal or private information, such as data, photo or messaging history of our users could significantly limit the adoption of our services, as well as harm our reputation and brands, result in litigation against us, liquidated and other damages, regulatory investigations and penalties, and we could be subject to material liability. We expect to continue expending significant resources to protect against security breaches. The risk that these types of events could seriously harm our business is likely to increase as we expand the scope of the services we offer and as we increase the size of our user base.

Moreover, we could be required to disclose certain personal information to (i) PRC governmental authorities for the purpose of, among other things, safeguarding national security, investigating crimes, investigating infringement of information network communication rights, and cooperating with the supervision and inspection of telecommunication regulatory authorities, or (ii) certain entities or individuals for the purpose of enforcing the judgments or rulings made by judicial authorities. Disclosing personal information under such circumstances may cause our users to lose trust in our ability to safeguard their privacy. Failure to comply with these requirements could subject us to administrative penalties or other regulatory or enforcement actions.

Our business is subject to complex and evolving laws and regulations in mainland China on data protection and cybersecurity. Any failure or perceived failure to comply with these laws and regulations could result in penalties, claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

Regulatory authorities in mainland China have enhanced data protection and cybersecurity regulatory requirements. These laws continue to develop, and the PRC government may adopt other rules and restrictions in the future. Different PRC regulatory bodies, including the Standing Committee of the National People's Congress, the MIIT, the CAC, the Ministry of Public Security and the SAMR, have enforced data privacy and protections laws and regulations with varying standards and applications, which may create difficulties in ensuring full compliance and increase our operating cost. Non-compliance could result in penalties or other significant legal liabilities.

Numerous regulations, guidelines and other measures have been and are expected to be adopted under the PRC Cyber Security Law. For example, the PRC government promulgated the Cybersecurity Review Measures in April 2020, which became effective in June 2020. Under these measures, critical information infrastructure operators must pass a cybersecurity review when purchasing network products and services which affect or may affect national security. On December 28, 2021, the CAC, together with certain other PRC governmental authorities, jointly released the revised Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the revised Cybersecurity Review Measures, critical information infrastructure operators procuring network products and services and online platform operators conducting data processing activities that affect or may affect national security shall conduct a cybersecurity review according to these measures. If a critical information infrastructure operator anticipates that its procurement of network products and services affect or may affect national security after the network products and services being put into use, it shall apply for cybersecurity review to the Cybersecurity Review Office of the CAC. In addition, online platform operators possessing personal information of more than one million users seeking to be listed on a foreign stock exchange must apply for a cybersecurity review. The revised Cybersecurity Review Measures also provide that the Cybersecurity Review Office of the CAC may initiate cybersecurity review against the operators if the authorities believe that the network products, network services or data processing activities of such operators affect or may affect national security. The revised Cybersecurity Review Measures set out certain risk factors which would be the focus in assessing the national security risk during a cybersecurity review. Pursuant to an announcement posted by the CAC on July 5, 2021 relating to the cybersecurity review, our BOSS Zhipin app was required to suspend new user registration to cooperate with the cybersecurity review and prevent the expansion of risks. As approved by the Cybersecurity Review Office of the CAC, we have recommenced new user registration on our BOSS Zhipin app, effective from June 29, 2022.

On July 30, 2021, the PRC State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure, which became effective on September 1, 2021. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security and Censorship" for further details. As of the date of this annual report, no detailed implementation rules governing the online recruitment industry have been issued by the governmental authorities. However, as these regulations were relatively new and the governmental authorities may further formulate detailed rules or explanations with respect to the interpretation and implementation of this regulation. As of the date of this annual report, we have not been informed by any governmental authority that we are a critical information infrastructure operator.

In mainland China, the internet information is regulated from a national security standpoint. According to the PRC National Security Law, institutions and mechanisms for national security review and administration will be established to conduct national security review on key technologies and network information technology products and services that affect or may affect national security. The PRC Data Security Law took effect in September 2021 and provides for a security review procedure for the data processing activities that affect or may affect national security. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security and Censorship" for further details. It is not clear under the PRC Data Security Law what constitutes "important data" or "state critical data." If we are deemed to collect "important data" or "state critical data," we may need to adopt internal reforms in order to comply with the PRC Data Security Law, which may increase the cost of operations, or decline the user growth or engagement, or otherwise harm our business.

In addition, on September 24, 2024, the CAC published the Regulations on the Administration of Network Data Security, which became effective on January 1, 2025. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security and Censorship" for further details. In general, compliance with the existing laws and regulations of mainland China and additional laws and regulations related to data security and personal information protection that PRC regulatory bodies may enact in the future may be costly and result in additional expenses to us, and subject us to negative publicity.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Cross-border Transfer of Data, which became effective on September 1, 2022. These measures require the data processor providing data overseas and falling certain circumstances to apply for the security assessment of cross-border data transfer with the local provincial-level counterparts of the national cybersecurity authority. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows, which became effective on the same day. Pursuant to the provisions, if the data has not been informed or publicly announced as important data by relevant departments or regions, data processors are not required to apply for the security assessment for cross-border provision of the data as important data. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security and Censorship" for further details. As of the date of this annual report, the exact scope of "important data" in the online recruitment industry under the current regulatory regime remains unclear, and the applicability of certain circumstances are still subject to further interpretation by relevant government authorities. The PRC government authorities may have discretion in the interpretation and enforcement of the applicable laws. Therefore, it is uncertain whether we would be required to report any security assessment for cross-border data transfers to the CAC.

While we take measures to comply with applicable cybersecurity and data privacy and protection laws and regulations, we cannot guarantee the effectiveness of the measures undertaken by us and our business partners. The activities of third parties such as our customers and business partners are beyond our control. It also remains uncertain whether the future regulatory changes would impose additional restrictions on companies like us. If any of our business partners violate the laws or regulations or fails to fully comply with the service agreements with us, or if any of our employees fails to comply with our internal control measures and misuses the information, we may be subject to legal liabilities. Any failure or perceived failure to comply with all applicable cybersecurity and data privacy and protection laws and regulations, or any failure or perceived failure of our business partners to do so, or any failure or perceived failure of our employees to comply with our internal control measures, may prevent us from using or providing certain network products or services, result in government enforcement actions and investigations, fines and other penalties such as suspension of our related business, closure of our apps and suspension of new downloads of our apps, as well as subjecting us to negative publicity and legal proceedings or regulatory actions and discouraging current and potential users and customers from using our services, which could have a material adverse effect on our business and results of operations.

In addition, regulatory authorities around the world have adopted or are considering a number of legislative and regulatory proposals concerning data protection. These legislative and regulatory proposals, if adopted, and the uncertain interpretations and application thereof could, in addition to the possibility of fines, result in an order requiring that we change our data practices and policies, which could have an adverse effect on our business and results of operations. The European Union General Data Protection Regulation which came into effect on May 25, 2018, includes operational requirements for companies that receive or process personal data of residents of the European Economic Area. This regulation establishes new requirements applicable to the processing of personal data, affords new data protection rights to individuals and imposes penalties for serious data breaches. Individuals also have a right to compensation under the regulation for financial or non-financial losses. Although we do not conduct any business in the European Economic Area, in the event that residents of the European Economic Area access our platform and input protected information, we may become subject to provisions of this regulation.

We may not be able to sustain and manage our growth, control our costs and expenses, implement our business strategies. Any new product or service we may launch and any new market sectors we may enter will come with additional risks.

We have experienced rapid growth in our business and operations since our inception in 2014, which places significant demands on our management, operational and financial resources. While we have achieved profitability, recording net income of RMB107.2 million, RMB1.1 billion and RMB1.6 billion (US$214.7 million) in 2022, 2023 and 2024, we have historically recorded net losses. Given our limited operating history, the net losses we incurred historically and the rapidly evolving market where we compete, we may encounter difficulties as we establish, expand or enhance our operations, feature and service development, sales and marketing efforts, technology and general and administrative capabilities. We may also not be able to sustain our historical levels of growth in the future. We believe that our ability to maintain profitable growth will depend on many factors, including our ability to further improve our user experience and broaden the spectrum of our service offerings, to further increase our presence in different user groups, especially blue-collar users, to continue to invest in technologies and deepen our data insights, and to explore other potential sectors in the human resource service market and achieve full coverage of users' career lifecycle. There can be no assurance that we will achieve any of the above, and our failure to do so may materially and adversely affect our business and results of operations.

Particularly, our efforts to expand our user base in diverse industries and regions, diversify product and service offerings, develop new technology capability, and explore other sectors in human resource service market will require significant resource investments from us, and such efforts may not be successful. Expansion into new product and service offerings or other sectors in the human resource service market may be subject to risks such as:

- limited brand recognition (compared with our established services or market sectors);
- costs incurred in product and service development and marketing;
- costs incurred due to investment in technology;
- lack of experience and expertise in connection with the new product and service or market vertical;
- adjustment to the preferences and customs of a different group of users;
- compliance with potential new regulations and policies;

- difficulties in managing upsized operations and maintaining operational efficiency; and
- competition with new competitors, including those with a more established local presence.

The occurrence of any of these risks could negatively affect our business in new markets and consequently our business and operating results.

We expect our costs and expenses to continue to increase in the future as we expand our user base, broaden our service offerings, invest in new technologies and develop and implement new products, services and features that may entail more complexity. We expect to continue to invest in our infrastructure in order to provide our services more rapidly and reliably to users. Continued growth could strain our ability to maintain reliable service levels for our users, develop and improve our operational, financial, legal and management controls, and enhance our reporting systems and procedures. If we are unable to generate adequate revenues and to manage our costs and expenses, we may incur significant net losses in the future and may not be able to maintain profitability. If we fail to achieve the necessary level of efficiency in our operation as it grows, our business, operating results and financial condition could be harmed.

Content posted or displayed on or linked to our online recruitment platform may be found objectionable by PRC regulatory authorities and may subject us to penalties and other negative consequences.

The PRC government has adopted laws and regulations governing internet and wireless access and the distribution of information over the internet and wireless telecommunications networks. Under these laws and regulations, internet content providers and internet publishers are prohibited from posting or displaying over the internet or wireless networks content that, among other things, violates the principle of the PRC constitution, laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, fraudulent or defamatory. Furthermore, internet content providers are also prohibited from displaying content that may be deemed by the government authorities as instigating ethnical hatred and harming ethnical unity, harming the national religious policy, "socially destabilizing" or leaking "state secrets" of the PRC. Failure to comply with these requirements may result in the revocation of licenses to provide internet content or other approvals, licenses or permits, the closure of the concerned platforms and reputational harm. The operator may also be held liable for any censored information displayed on or linked to their platform. The liabilities and penalties resulting from such non-compliance may materially and adversely damage our business and results of operations.

On December 15, 2019, the CAC, released the Provisions on Ecological Governance of Network Information Content, which came into force on March 1, 2020. These provisions, which govern the distribution of information over the internet and wireless telecommunications networks, classify the network information into three categories, namely the "encouraged information," the "illegal information" and the "undesirable information." While illegal information is strictly prohibited from distribution, the internet content providers are required to take measures to prevent and resist the production and distribution of undesirable information. The provisions further clarify the duties owed by the internet content providers, such as obligations to improve the systems for user registration, account management, information release review, follow-up comments review, website ecological management, real-time inspection, emergency response and disposal mechanism for cyber rumor and black industry chain information.

We have designed and implemented procedures to monitor content on our online recruitment platform. However, it may not be possible to determine in all cases the types of content that could result in our liability as a distributor of such content, and we may not be able to capture all violating content in time, especially in instant messaging. If any of the content posted or displayed on our online recruitment platform is deemed by the PRC government to violate any content restrictions, we may not be able to continue to display such content and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations.

PRC regulatory authorities may also conduct various reviews and inspections on our business operations, especially those related to content distribution, from time to time. If any non-compliance incidents in our business operations are identified, we may be required to take certain rectification measures in accordance with applicable laws and regulations, or we may be subject to other regulatory actions such as administrative penalties. It may be difficult to determine the type of content or actions that may result in liability to us and, if we are found to be liable, we may be prevented from operating our business in mainland China. Moreover, complying with the regulatory requirements may result in limitation to our scope of services, reduction in user engagement or loss of users, diversion of our management team's attention and increased operational costs and expenses. The costs of compliance with these regulations may continue to increase as a result of more content being made available by an increasing number of users of our online recruitment platform, which may adversely affect our results of operations.

Any lack of or failure to maintain requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations, and compliance with applicable laws or regulations may require us to obtain additional approvals or licenses or change our business model.

Our business is subject to supervision and regulation by various governmental authorities in mainland China. These governmental authorities include the CAC, the Ministry of Commerce, the MIIT, the SAMR, the Ministry of Culture and Tourism, the National Radio and Television Administration, and their corresponding local regulatory authorities. These governmental authorities promulgate and enforce laws and regulations that cover a variety of business activities that relating to our operations, such as provision of internet information, among other things. These regulations in general regulate the entry into, the permitted scope of, and the approvals, licenses and permits for, these business activities.

We provide services through our online recruitment platform, including certain live streaming recruitment services, short videos relating to job hunting and recruitment, in-app streaming interview and career development-related video courses, which may be considered as internet audio-visual program services. An internet audio-visual program service provider shall obtain the License for Online Transmission of Audio-Visual Programs, or the Audio-Visual License. According to the applicable laws of mainland China, only companies wholly state-owned or state-controlled are eligible to obtain the Audio-Visual License. As advised by our PRC legal counsel, based on a consultation with the Media Integration Development Division of Beijing Municipal Radio and Television Bureau in July 2022, a company that is not eligible for the Audio-Visual License for providing internet audio-visual program services is allowed to apply for the registration and filing with the National Internet Audio-Visual Platforms Information Registration Management System, when its number of daily active users and program inspectors, personnel within a company that is responsible for reviewing and vetting the content of the internet audio-visual program, reach the respective threshold. As of the date of this annual report, we have not obtained the Audio-Visual License, as we are not a state-owned company or state-controlled company, and we have not completed the filing with the National Internet Audio-Visual Platforms Information Registration Management System, as the number of the daily active users and the number of program inspectors of the internet audio-visual program services on our platform are both below the specific thresholds. We may be subject to penalties or investigations in the future, in which case we may be involved in legal proceedings, have any illegal gains confiscated, have our relevant business suspended, or face other penalties. See “Item 4. Information on the Company—B. Business Overview— Regulations Relating to Online Transmission of Audio-Visual Programs” for more details.

We have obtained a value-added telecommunication service license concerning the internet information service, or ICP license, for provision of internet information services. The ICP license is essential to the operation of our existing and future business and is subject to regular government review or renewal. However, we cannot assure you that we can successfully renew our ICP license in a timely manner or at all as required by laws of mainland China to operate our online recruitment platform. Due to the evolving nature of the interpretation and application of the laws and regulations applicable to our industry in mainland China, we cannot assure you that the permitted scope and other aspects of our ICP license are sufficient as legally required to conduct all of our present business. The regulatory authorities may determine that the scope of our ICP license is not broad enough to carry on all of our businesses and require that we expand the scope of our ICP license. As certain prerequisites must be met in order to expand the scope of our ICP license to include certain types of services as stipulated in the Classification Catalogue of Telecommunications Services, we may not be able to meet such requirement and expand the scope of our ICP license. We may be subject to penalties or investigations due to the limitation of the scope of our ICP license in the future, in which case we may be involved in legal proceedings, have any illegal gains confiscated, have our relevant business suspended, or face other penalties.

We may be required to apply for and obtain additional licenses, permits or approvals, make additional registrations, update our registrations or expand the scope of our permits and approvals, and we cannot assure you that we will be able to meet these requirements timely, or at all, in the future. As we expand our business scope and explore different business initiatives, the business measures we have adopted or may adopt in the future may be challenged under laws and regulations of mainland China. For instance, while we believe we are not subject to any online game virtual currency laws and regulations for certain virtual tokens we offer in our mobile applications, the PRC government authorities may take a view contrary to ours. As a result, we may be required to obtain additional approvals or licenses and change certain aspects of our business to ensure compliance with existing and future online game virtual currency laws and regulations. If we fail to timely obtain, maintain or renew all the required licenses or permits or make all the necessary filings or change aspects of our business, we may be subject to various penalties or other regulatory actions, such as confiscation of revenues from the unlicensed activities, the imposition of fines and the discontinuation or restriction of our operations. Any such regulatory actions may disrupt our operations and materially and adversely affect our business, financial condition and results of operations.

Our business is subject to complex and evolving laws and regulations in mainland China. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations that involve matters important to or may otherwise impact our business, including, among others, provision of value-added telecommunications services, talent intermediary services, information security and censorship, foreign exchange and taxation. See also "Item 4. Information on the Company—B. Business Overview—Regulations." The introduction of new services may subject us to additional laws, regulations, or other government scrutiny.

These laws and regulations are continually evolving and may change significantly. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the rapidly evolving industry in which we operate. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and inconsistently with our current policies and practices. These laws and regulations may also be costly to comply with, and such compliance or any associated inquiries or investigations or any other government actions may

- delay or impede our development of new services,
- result in negative publicity, increase our operating costs,
- require significant management time and attention, and
- subject us to remedies, administrative penalties and even criminal liabilities that may harm our business, including fines assessed for our current or historical operations, or demands or orders that we modify or cease existing business practices.

For example, in recent years, the PRC government authorities have released a series of laws and regulations related to generative artificial intelligence, algorithmic recommendation and deep synthesis technologies. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Generative AI." Such regulations are relatively new, and the competent government authorities of mainland China may introduce additional or more detailed laws and regulations regarding our provision and use of artificial intelligence and related technologies. This could subject us to additional compliance measures and changes to our operations and processes, resulting in increased compliance costs.

The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we provide our services could require us to change certain aspects of our business to ensure compliance, which could decrease demand for our services, reduce revenues, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our business, financial condition and results of operations could be adversely affected.

If user traffic to our online recruitment platform stagnates or declines for any reason, our operating and financial prospects may be harmed.

Our ability to attract and maintain user traffic to our online recruitment platform is important for our continuing growth. If user traffic to our online recruitment platform stagnates or declines for any reason, our business and results of operations may be harmed. We depend to a significant degree on various app stores, internet search engines and portals to direct user traffic to our mobile applications. However, the amount of user traffic directed to our mobile applications is not entirely within our control. If our competitors have better relationships with app stores or social media platforms, greater online presence or news coverage, or more search engine optimization efforts, their mobile applications and websites may receive more directed user traffic or higher search result page rankings than ours. App stores could recommend mobile applications from our competitors more prominently than they do ours, social media platforms may direct more attention to products and services from our competitors, and internet search engines could revise their methodologies in a way that adversely affects the placement of our platform within the search results. Any such changes could decrease user traffic to our mobile applications and websites and adversely affect the growth of our user base, which may in turn harm our business and operating results.

We face risks associated with the misconduct of our employees, business partners and their employees and other related personnel, and we may be subject to allegations, harassing or other detrimental conduct by third parties and other forms of negative publicity, which could harm our reputation and cause us to lose market share and users.

We rely on our employees to maintain and operate our business and have implemented internal policies to guide the actions of our employees. However, we do not have full control over every action of our employees, and any misbehavior of our employees could materially and adversely affect our reputation and business. For example, if our employees download pirated software to their work computers or perform other unauthorized actions on our technology systems, we may be exposed to security breaches. Despite the security measures we have implemented, our systems and procedures and those of our business partners may be vulnerable to security breaches, acts of vandalism, software viruses, misplaced or lost data, programming or human errors or other similar events caused by our employees, our business partners and their employees and other related personnel, which may disrupt our delivery of services or expose the identities and confidential information of our users and personnel. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, we may lose current and potential users, and we may be exposed to legal and financial risks, including those from legal claims, regulatory fines and penalties, which in turn could adversely affect our business, reputation and results of operations.

With respect to employees, we could also in the future face a wide variety of claims, including discrimination (for example, based on gender, age, race or religious affiliation), sexual harassment, privacy, labor and employment claims. Often these cases raise complex factual and legal issues, and the result of any such claims are inherently unpredictable. Claims against us, whether meritorious or not, could require significant amounts of management time and corporate resources to defend, could result in significant media coverage and negative publicity, and could be harmful to our reputation and our brands. If any of these claims were to be determined adversely to us, or if we were to enter settlement arrangements, we could be exposed to monetary damages or be forced to change the way in which we operate our business, which could have an adverse effect on our business, financial condition and results of operations.

We also work with our business partners in our business operation, and their performance affects the image of our brands. However, we do not directly supervise them in providing services to us or our users. Although we generally select business partners with strong reputation and track record, we may not be able to successfully monitor, maintain and improve the quality of their services. In the event of any unsatisfactory performance by our business partners and/or their employees, our business operation may be negatively impacted and our users may experience disruptions in services or decline in service quality, which may materially and adversely affect our reputation, our ability to retain and expand our user base, and our business, financial condition and results of operations.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our financial condition and results of operations.

We maintain cash balances at third-party financial institutions in mainland China, Hong Kong and the United States. Concentrating a significant portion of our assets as cash in financial institutions exposes us to adverse conditions in the financial or credit markets, which could affect our access to invested cash or cash equivalents, as well as our overall liquidity and financial performance. Although our cash and cash equivalents are held in our operating accounts with or managed by reputable financial institutions, our access to cash in amounts adequate to finance or capitalize our current and projected future business operations could be impaired by factors that affect us, the financial institutions with which we have banking relationships, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. To date, we have not experienced any losses on cash or deposits held in our operating accounts. However, we can provide no assurances that our access to cash held in operating accounts or our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets or the negative performance of financial institutions.

Our online recruitment platform depends on effective interoperation with mobile and computer operating systems, hardware, networks, regulations, and standards that we do not control. Changes in our online recruitment platform or to those operating systems, hardware, networks, regulations, or standards may seriously harm our user retention, growth, and engagement. Our business depends on our ability to maintain and scale our technology infrastructure. Any service disruption in our services could damage our reputation, result in a potential loss of users and decrease in user engagement, and seriously harm our business.

Our online recruitment platform, especially its mobile applications, must remain interoperable with popular operating systems, such as iOS and Android, and related hardware. We have no control over these operating systems or hardware, and any changes to these systems or hardware that degrade the functionality of our services, or give preferential treatment to competitive online platforms, could seriously harm usage of our online recruitment platform. When we introduce new services in the future it may take time to optimize such services to function with these operating systems and hardware, thereby impacting the popularity of such services.

To deliver high quality services through our online recruitment platform, it is crucial that our online recruitment platform works well with a range of mobile technologies, systems, networks, regulations and standards that we do not control. In particular, any future changes to iOS or Android operating systems may impact the accessibility, speed, functionality and other performance aspects of our online recruitment platform.

Our business and the continuing performance, reliability and availability of our technology systems and online recruitment platform also depend on the performance and reliability of China's internet, mobile, and other infrastructures that are not under our control. Disruptions in internet infrastructure or the failure of telecommunications network operators to provide us with the bandwidth needed to provide our services may interfere with the speed and availability of our services on our online recruitment platform. If our online recruitment platform is unavailable when users attempt to access them, or if our online recruitment platform does not respond as quickly as users expect, users may not return to use our online recruitment platform as often in the future, or at all, and may use our competitors' products or services instead. In addition, we have no control over the costs of the services provided by China's telecommunications operators. If mobile internet access fees or other charges to internet users increase, user traffic may decrease, which may in turn cause our revenues to significantly decrease.

We have been and may in the future be subject to legal proceedings during the course of our business operations. Our directors, management, shareholders and employees also have been and may in the future be subject to legal proceedings, which could adversely affect our reputation and results of operations.

From time to time, we are subject to allegations, and may be party to legal claims and regulatory proceedings, relating to our business operations and business partners. Such allegations, claims and proceedings may be brought by third parties, including users, employees, business partners, governmental or regulatory bodies, competitors or other third parties, and may include class actions. These allegations, claims and proceedings may concern issues relating to, among others, labor disputes, and contract disputes. The outcome of litigation, particularly class action lawsuits, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. We may incur significant expenses related to such proceedings, which may negatively affect our operating results if changes to our business operations are required. There may also be negative publicity associated with litigation that could decrease user acceptance of our online recruitment services, regardless of whether the allegations are valid or whether we are ultimately found liable. In addition, our directors, management, shareholders and employees may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations. As a result, litigation may adversely affect our business, financial condition, results of operations or liquidity.

We and certain of our officers and directors have been named as defendants in a putative securities class action filed on July 12, 2021 in the U.S. District Court for the District of New Jersey, captioned *Bell v. Kanzhun Limited et al, No. 2:21-cv-13543*. On March 4, 2022, the plaintiffs filed an amended complaint, purportedly brought on behalf of a class of persons who allegedly suffered damages as a result of their trading in our securities between June 11, 2021 and July 2, 2021. The action alleges that we made false and misleading statements regarding our business, operations and compliance practices in violation of Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. Briefing on our motion to dismiss was completed in July 2022. In September 2022, with the aid of a mediator, the parties reached a tentative agreement in principle to settle the case. On November 10, 2022, the court granted preliminary approval of the parties' settlement agreement, pursuant to which, without any admission or finding of any wrongdoing on the part of any of the defendants, the parties agreed that, in consideration of Kanzhun's payment of US$2.25 million, all actual and potential claims and causes of action that have been or could have been alleged against Kanzhun and the individual defendants (including the individuals mentioned above) are resolved and discharged and precluded from being raised again in any future action. On April 5, 2023, after holding a fairness hearing, the court granted final approval of the settlement and terminated the case.

We may need additional capital, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

To pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, including to improve our brand awareness, develop new services or further improve existing services, expand into new markets and acquire complementary businesses and technologies, we may require additional capital from time to time. However, additional funds may not be available when we need them on reasonable terms, or at all. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the industry where we operate;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital raising activities by online recruitment services companies in China; and
- economic, political and other conditions in China.

If we are unable to obtain additional capital in a timely manner or on acceptable terms, or at all, our ability to continue to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, our future capital needs and other business reasons could require us to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

Our operating metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may materially and adversely affect our business and operating results.

We regularly review operating metrics, such as the number of our paid enterprise customers and our MAU, to evaluate growth trends, measure our performance and make strategic decisions. These metrics are calculated using internal company data and have not been validated by an independent third party. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across our large user base. Errors or inaccuracies in our metrics could result in incorrect business decisions and inefficiencies. For example, if a significant understatement or overstatement of the number of users were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to attract a sufficient number of users to satisfy our growth strategies.

Our measures of operating metrics may differ from estimates published or adopted by third parties, including but not limited to business partners, market and investment research organizations (including short-selling research firms), investors and media, or from similarly titled metrics used by our competitors or other companies in the same or related industries due to differences in methodology and assumptions. If these third parties do not perceive our operating metrics to be accurate representations of operations, or if we discover material inaccuracies in our operating metrics, our brand value and reputation may be materially harmed, our users and business partners may be less willing to allocate their resources or spending to us, and we may face lawsuits or disputes in relation to the inaccuracies. As a result, our business and operating results may be materially and adversely affected.

Computer and mobile malware, viruses, hacking and phishing attacks, spamming and improper or illegal use of our online recruitment platform may affect user experience, which could reduce our ability to attract users and materially and adversely affect our business, financial condition and results of operations.

Computer and mobile malware, viruses, hacking and phishing attacks have become more prevalent in our industry, have occurred on our online recruitment platform in the past, and may occur again in the future. Although it is difficult to determine what, if any, direct harm may result from an interruption or attack, any failure to maintain performance, reliability, security and availability of our online recruitment platform and technology infrastructure to the satisfaction of our users may seriously harm our reputation and our ability to retain existing users and attract new users.

In addition, spammers may use our online recruitment platform to send targeted and untargeted spam messages to users, which may affect user experience. In spamming activities, spammers typically create multiple user accounts for the purpose of sending spam messages. Although we attempt to identify and delete accounts created for spamming purposes, we may not be able to effectively eliminate all spam messages from our online recruitment platform in a timely fashion. Our actions to combat spam may also require diversion of significant time and focus of our technology team from improving our online recruitment platform. As a result, our users may use our online recruitment platform less or stop using them altogether, which may result in continuing operational costs to us.

Pursuant to the PRC Data Security Law, entities carrying out data processing activities shall establish a sound data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations. Risk-monitoring shall be strengthened when carrying out data processing activities, and remedial measures shall be taken immediately upon discovery of any data security defect or bug, disposal measures shall be taken immediately upon occurrence of any data security incident, users shall be timely notified in accordance with the relevant provisions and reports shall be made to the competent authorities. Failure to fulfill the aforementioned obligations may subject us to rectification orders, warnings, fines, suspension of our business or our operations as a whole for rectification, or revocation of our business permit or business license.

If the software used in our online recruitment platform and technology systems contains undetected programming errors or vulnerabilities, our business could be adversely affected.

Our online recruitment platform and technology systems rely on software, including software developed or maintained internally and/or by third parties. In addition, our online recruitment platform and technology systems depend on the ability of such software to store and process large amount of data. The software on which we rely in the past has contained, and may now or in the future contain, undetected programming errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors, vulnerabilities, or other design defects within the software on which we rely may result in a negative experience for users using our online recruitment platform, delay introductions of new features or enhancements, result in errors or compromise our ability to protect the data of our users and/or our intellectual property or lead to reductions in our ability to provide some or all of our services. In addition, any errors, bugs, vulnerabilities, or defects discovered in the software on which we rely, and any associated degradations or interruptions of service, could result in harm to our reputation and loss of users, which could adversely affect our business, financial condition and operation results.

Our online recruitment platform and technology systems contain open-source software and external models, which may pose particular risk to our proprietary software and online recruitment platform features and functionalities in a manner that negatively affect our business.

We use open-source software and external models, such as third-party AI solutions in our online recruitment platform and technology systems and will continue to do so in the future. To handle risks in this regard, we have set up an internal system that monitors any change in the source code of any open-source software we use in our operation, made risk management plan for open-source software and external models, and increasingly invested in developing our proprietary software. Despite these risk management efforts, open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our services through the various features and functionalities of our online recruitment platform. Additionally, we may face claims from third parties claiming ownership of, or demanding release of, the open-source software or derivative works that we developed using such software. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional technology and development resources, and we may not be able to complete it successfully. Our use of external models, including third-party AI solutions also introduces additional challenges, such as potential intellectual property disputes regarding model-generated outputs, dependence on external models whose terms or availability may change unexpectedly, quality control risks from algorithmic biases or inaccuracies and evolving regulatory requirements for AI deployment. Should these risks materialize, we may incur substantial compliance costs, face service disruptions, or need to rapidly modify our technology—any of which could adversely affect our operations and financial performance.

We are dependent on app stores to distribute our mobile applications.

We offer our online recruitment services through our online recruitment platform, an important component of which is our mobile applications. Our mobile applications are offered via app stores operated by third parties, such as Apple's App Store and various Android app stores, which could suspend or terminate our users' access to our mobile applications, increase access costs or change the terms of access in a way that makes our mobile applications less desirable or harder to access. As such, the promotion, distribution and operation of our mobile applications are subject to such distribution platforms' standard terms and policies for application developers, which are subject to the interpretation of, and frequent changes by, these distribution channels. If Apple's App Store or any Android app stores interpret or change their standard terms and conditions in a manner that is detrimental to us, or terminate their existing relationship with us, our business, financial condition and results of operations may be materially and adversely affected. In the future, it is possible that compliance requirements of app stores may cause us to suspend our mobile applications from such stores. As a result, our ability to expand our user base may be hindered if potential users experience difficulties in or are barred from accessing our mobile applications. Any such incident may adversely affect our brands and reputation, business, financial condition and results of operations.

We are subject to risks relating to third-party online payment platforms.

Currently, we collect payments for our services through third-party online payment systems. In all these online payment transactions, secured transmission of confidential information such as our users' credit card numbers and personal information over public networks is essential to maintaining users' trust and confidence on our online recruitment platform.

We do not have control over the security measures of our third-party online payment vendors. Any security breaches of the online payment systems that we use could expose us to litigation and possible liability for failing to secure confidential user information and could, among other things, damage our reputation and the perceived security of all of the online payment systems that we use. If a well-publicized internet or mobile network security breach were to occur, users may become reluctant to pay for our services even if the publicized breach did not involve payment systems or methods used by us. In addition, billing software errors could damage user confidence in these online payment systems. If any of the above were to occur and damage our reputation or the perceived security of the online payment systems we use, we may lose users and users may be discouraged from purchasing our services, which may have a material adverse effect on our business.

In addition, there are currently only a limited number of reputable third-party online payment systems in mainland China. If any of these major payment systems decides to cease to provide services to us, or significantly increase the percentage they charge us for using their payment systems for our services, our results of operations may be materially and adversely affected.

Our results of operations are subject to fluctuations due to seasonality.

Our quarterly operating results fluctuate due to seasonal patterns in recruitment demand and macroeconomic and labor market conditions. For example, traditionally, in the first quarters, recruitment activities generally slow down before the Chinese New Year. As a result, our revenues may vary materially from quarter to quarter and quarterly results may not be comparable to the corresponding periods of prior years. Such uncertainty makes it difficult for us to predict revenues for a particular quarter. Further, our quarterly sales and marketing expenses are generally the highest in the first quarter of every year as we increase our sales and branding activities during the Chinese New Year season. However, we have observed growing variability in these patterns as broader economic factors increasingly influence hiring cycles. This evolving dynamic makes historical comparisons less meaningful and creates challenges in forecasting quarterly results. Therefore, actual results may differ significantly from our targets or estimated quarterly results, which could cause the price of our Class A ordinary shares and/or ADSs to fall.

We may not be able to adequately protect our intellectual property, which could cause us to be less competitive, and third-party infringements of our intellectual property rights may adversely affect our business.

We believe that our patents, copyrights, trademarks and other intellectual property are essential to our success. We have devoted considerable time and energy to the development and improvement of our online recruitment platform and our technology system infrastructure.

We rely on a combination of patent, copyright and trademarks laws, trade secrets protection and other contractual restrictions for the protection of the intellectual property used in our business. Effective intellectual property protection may not be available or may not be sought, and contractual disputes may affect the use of the intellectual property governed by private contract. Although our contracts with users and business partners typically prohibit the unauthorized use of our brands, images and other intellectual property rights, there can be no assurance that they will always comply with these terms. These agreements may not effectively prevent the unauthorized use of our intellectual properties or disclosure of confidential information and may not provide an adequate remedy for such unauthorized use or disclosure of personal information. Although we enter into confidentiality and non-disclosure agreements with our employees, and we also have in place various internal rules and polices that require compliance from our employees, these agreements could be breached, the internal rules and policies could be violated, we may be involved in disputes in respect of these agreements and internal rules and policies for which we may not have adequate remedies, and our proprietary technology, know-how or other intellectual property could otherwise become known to third parties. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

While we actively take steps to protect our proprietary rights, such steps may not be adequate to prevent the infringement or misappropriation of our intellectual property. As of the date of this annual report, we had not registered certain trademarks for certain services we provide in connection with our operation. We also cannot assure our registered trademarks have covered an adequate scope of our existing and future business operations and as of the date of this annual report, we were in the process of registering certain trademarks that are necessary based on the current scope of our business. However, there can be no assurance that any of our trademark applications will ultimately proceed to registration or will result in registration with adequate scope for our business, particularly if such requested trademarks are found to conflict with the registered trademarks owned by third parties, including our competitors. Some of our pending applications or registrations may be successfully challenged or invalidated by others. If our trademark applications are not successful, we may have to use different marks for affected services, or seek to enter into arrangements with any third parties who may have prior registrations, applications or rights, which might not be available on commercially reasonable terms, if at all.

It is often difficult to maintain and enforce intellectual property rights in mainland China. Statutory laws and regulations are subject to judicial interpretation and their enforcement may lack consistency. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our related contractual rights in mainland China. Preventing any unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary in the future to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources, and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

We have been and may be in the future subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, financial condition and prospects.

We have been and may in the future be subject to intellectual property infringement claims or other allegations by third party owners or right holders of patents, copyrights, trademarks, trade secrets and content for services we provide or for information or content displayed on, retrieved from or linked to, recorded, stored or made accessible on our online recruitment platform, or otherwise distributed to our users, including in connection with the music, movies and videos played, recorded, stored or made accessible on our online recruitment platform during user profile display or advertisement display, which may materially and adversely affect our business, financial condition and prospects.

Generally, companies in the internet-related industries are frequently involved in litigation based on allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of other parties' rights. The validity, enforceability and scope of protection of intellectual property rights in internet-related industries, particularly in mainland China, are uncertain and still evolving. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes in mainland China, we face a higher risk of being the subject of intellectual property infringement claims or other legal proceedings.

We allow users to upload text, pictures, audio, video and other content to our online recruitment platform and users to download, share, link to and otherwise access other content on our online recruitment platform. Under the laws and regulations of mainland China, online service providers, which provide storage space for users to upload works or links to other services or content, could be held liable for copyright infringement under various circumstances, including situations where the online service provider knows or should reasonably have known that the content uploaded or linked to on its platform infringes upon the copyright of others and the online service provider failed to take necessary actions to prevent such infringement. We have procedures implemented to reduce the likelihood that content might be used without proper licenses or third-party consents. However, these procedures may not be effective in preventing the unauthorized posting or distribution of copyrighted content, and we may be considered failing to take necessary actions against such infringement. Therefore, we may face liability for copyright or trademark infringement, defamation, unfair competition, libel, negligence, and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through our online recruitment platform.

Defending claims is costly and can impose a significant burden on our management and employees, and there can be no assurance that favorable final outcomes will be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to be made to our online recruitment platform to reduce the risk of future liability, may have a material adverse effect on our business, financial condition and prospects.

Our advertising content may subject us to penalties and other administrative actions.

Under PRC advertising laws and regulations, we are obligated to monitor our advertising content to ensure that such content is true and accurate and in full compliance with applicable laws and regulations. Violation of these laws and regulations may subject us to penalties, including fines, confiscation of our advertising income, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. In circumstances involving serious violations by us, PRC governmental authorities may force us to terminate our advertising operations or revoke our licenses. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Advertisement."

While we have made significant efforts to ensure that our advertisements are in full compliance with applicable laws and regulations of mainland China, we cannot assure you that all the content contained in such advertisements is true and accurate as required by the advertising laws and regulations, especially given the uncertainty in the interpretation of these laws and regulations of mainland China. If we are found to be in violation of applicable PRC advertising laws and regulations, we may be subject to penalties and our reputation may be harmed, which may negatively affect our business, financial condition, results of operations and prospects.

Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks. Failure to comply with the laws and regulations on environmental, social and governance matters may subject us to penalties and adversely affect our business, financial condition and results of operations.

The PRC government and public advocacy groups have been increasingly focused on environment, social and governance, or ESG, issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the PRC government on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Any ESG concern or issue could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the PRC government or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition, and the price of our Class A ordinary share and/or ADSs could be materially and adversely affected.

Existing or future strategic alliances, long-term investments and acquisitions may have a material and adverse effect on our business, reputation and results of operations.

We may enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, if appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquisitions may not achieve our goals and could be viewed negatively by users, business partners or investors. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from the governmental authorities for the acquisitions and to comply with any applicable laws and regulations of mainland China, which could result in increased delay and costs.

Our business depends substantially on the continuing efforts of our executive officers and other key employees. If we lose their services or do not plan their succession effectively, our business operations and growth prospects may be materially and adversely affected.

Our future success depends heavily on the continuing services of our executive officers and other key employees. In particular, we rely on the expertise, experience and vision of our Founder, Chairman and Chief Executive Officer, Mr. Peng Zhao, as well as other members of our senior management team. If one or more of our executive officers or other key employees were unable or unwilling to continue their services with us or are otherwise subject to any legal or regulatory liabilities in their personal capacity or otherwise, we might not be able to replace them easily, in a timely manner, or at all. Competition for qualified talent is intense, there can be no assurance that we will be able to attract or retain qualified employees. As a result, our business may be materially and adversely affected, our financial condition and results of operations may be severely affected, and we may incur additional expenses to recruit, train and retain key personnel.

Moreover, if any of our executive officers or other key employees joins a competitor or forms a competing company, we may lose know-how, trade secrets, business partners, user base and market share. Each of our executive officers and key employees has entered into an employment agreement, a confidentiality and intellectual property ownership agreement and a non-compete agreement. However, these agreements may be deemed invalid or unenforceable under laws of mainland China and other applicable laws and regulations in other jurisdictions. If any dispute arises between our executive officers or key employees and us, there can be no assurance that we would be able to enforce these agreements in mainland China and other jurisdictions, where these executive officers and key employees may reside.

Effective succession planning is also important to the long-term success of our business. If we fail to ensure effective transfer of knowledge and smooth transitions involving key employees, it could significantly hinder our strategic planning and execution. The loss of senior management or any ineffective transitions in management could delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, results of operations, and cash flows.

Competition for qualified personnel is often intense. If we are unable to recruit, train and retain sufficient qualified personnel while controlling our labor costs, our business may be materially and adversely affected.

Our ability to continue to conduct and expand our operations depends on our ability to attract and retain a large and growing number of qualified personnel in China and also globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant, while controlling labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the markets where we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, the quality of service we provide to users may decrease and our financial performance may be adversely affected. In addition, if our costs of labor or related costs increase for other reasons or if new or revised labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase our labor costs, our financial performance could be materially and adversely affected.

We may not have sufficient insurance to cover our business risks, so that any uninsured occurrence of business disruption may result in substantial costs to us and the diversion of our resources, which could have an adverse effect on our results of operations and financial condition.

We provide social security insurance for our employees as required by laws of mainland China, and we also provide supplemental commercial medical insurance for our employees. We do not maintain business interruption insurance or key-man insurance. We consider this practice to be reasonable in light of the nature of our business, which is in line with the practices of other companies of similar size in the same industry in mainland China. In addition, insurance companies in mainland China currently offer limited business-related insurance products. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could disrupt our business operations, requiring us to incur substantial costs and divert our resources, which could have an adverse effect on our business, financial condition and results of operations could be materially and adversely affected.

If we do not appropriately maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, we may be unable to accurately report our financial results and the market price of our Class A ordinary shares and/or ADSs may be adversely affected.

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of the company's internal control over financial reporting.

In the past, we and our independent registered public accounting firm identified material weaknesses in our internal controls, and we implemented a number of measures to address them. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2024. See "Item 15. Controls and Procedures."

In addition, our independent registered public accounting firm has audited the effectiveness of our internal control over financial reporting as of December 31, 2024. If we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in the loss of investor confidence in the reliability of our financial statements and negatively impact the trading price of our Class A ordinary shares and ADSs. Furthermore, we have incurred and may need to incur additional costs and use additional management and other resources in an effort to comply with Section 404 of the Sarbanes-Oxley Act and other requirements going forward.

We have granted and expect to continue to grant share-based awards in the future under our share incentive plan, which may increase share-based compensation expenses, affect our financial performance, and potentially dilute the shareholding of our shareholders.

In order to attract and retain qualified employees, provide incentives to our directors and employees, and promote the success of our business, we adopted a share incentive plan in September 2020, which was amended and restated in May 2021 (as so amended and restated, the "2020 Share Incentive Plan") and the Post-IPO Share Scheme with effect from December 22, 2022 (collectively, the "Share Incentive Plans"). For the years ended December 31, 2022, 2023 and 2024, we recorded RMB692.2 million, RMB1.1 billion and RMB1.1 billion (US$156.7 million) in share-based compensation expenses, respectively.

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees. Our recent quarterly share-based compensation expenses showed decreasing trend, however, we will continue to grant share-based awards to employees in the future and our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We face certain risks related to our leased properties.

We lease real properties in China from third parties primarily as office space. We have not registered some of our lease agreements for these properties with the PRC governmental authorities as required by laws of mainland China. Although the failure to do so does not in itself invalidate the lease agreements, we may be ordered by the PRC government authorities to rectify such noncompliance and, if such noncompliance is not rectified within a given period of time, we may be subject to fines imposed by PRC government authorities ranging from RMB1,000 and RMB10,000 for each lease agreement that has not been registered with the PRC governmental authorities. In addition, the land nature and planned uses of certain leased properties are inconsistent with the use stipulated in our lease contracts and the owners do not provide any approval from the competent authorities for the change of uses of such leased properties. Thus, we may not be able to continue to use such leased properties and may have to relocate to other premises, if the competent authorities order the owners to make rectifications. In addition, some of our leased properties were subject to mortgage when we entered our lease agreements. If the ownership of such properties changes as a result of the foreclosure of the mortgage, we may not be able to enforce our rights to the leased properties under the respective lease agreements against the mortgagee. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our affected operations in a timely manner, our operations may be adversely affected.

The ownership certificates or other similar proof of some of our leased properties have not been provided to us by the lessors. Therefore, we cannot assure you that such lessors are entitled to lease the real properties to us. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. If we face challenges from the legal owners of the leased real properties or other third parties, we could be required to vacate the properties and incur additional costs, in the event of which we could only initiate the claim against the lessors under the laws of mainland China and/or lease agreements for indemnities for their breach of the leasing agreements. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our officers in a timely manner, our operations may be interrupted.

We face risks related to natural and other disasters, including severe weather conditions or outbreaks of health epidemics, and other extraordinary events, which could significantly disrupt our operations.

Our business could be materially and adversely affected by natural disasters, health epidemics or other public safety concerns. Natural disasters may give rise to server interruptions, breakdowns, system failures, technology platform failures, internet failures or other operation interruptions for us and our business partners, which could cause the loss or corruption of data or malfunction of software or hardware as well as adversely affect our ability and the ability of our business partners to conduct daily operations. Our business could also be adversely affected if employees of ours or our business partners are affected by health epidemics. In addition, our results of operations could be adversely affected to the extent that any health epidemic harms the Chinese economy in general, as was the case between 2020 and 2022 during the COVID-19 pandemic.

Our headquarter is located in Beijing, China, where most of our directors and management and the majority of our employees currently reside. Most of our system hardware and the back-up systems supplied by third-party cloud service providers are hosted in facilities located in China. Consequently, if any natural disasters, health epidemics or other public safety concerns were to affect China and Beijing in particular, our operation may experience material disruptions, which may materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with laws and regulations of mainland China relating to the relevant industries, or if these laws and regulations or the interpretation of existing laws and regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership in entities that provide internet and other related businesses, including but not limited to, the value-added telecommunication services, internet audio-visual program services and radio and television program services, is subject to restrictions under current laws and regulations of mainland China, unless certain exceptions are available. Specifically, the operation of certain value-added telecommunications services are considered "restricted," and foreign ownership of an internet information service provider may not exceed 50%. The provision of internet audio-visual program services and radio and television program services are considered "prohibited."

We are a Cayman Islands company and our mainland China subsidiaries are considered foreign-invested enterprises. To ensure compliance with the laws and regulations of mainland China, we conduct our foreign investment restricted business in mainland China through Beijing Huapin Borui Network Technology Co., Ltd., which we refer to as the VIE, and its subsidiaries, and the VIE currently holds the value-added telecommunication business license and other licenses necessary for our operation of such restricted business, based on a series of contractual arrangements by and among our WFOE, the VIE, and shareholders of the VIE. These contractual agreements enable us to (i) direct the activities of the VIE, (ii) receive substantially all of the economic benefits of the VIE, (iii) have the pledge right over the equity interests in the VIE as the pledgee, and (iv) have an exclusive purchase option to purchase all or part of the equity interests and/or assets in the VIE when and to the extent permitted by laws of mainland China. Because of these contractual arrangements, we are the primary beneficiary of the VIE in mainland China and hence consolidate its financial results for accounting purpose as the variable interest entity under U.S. GAAP. We conduct our operations in mainland China through (i) our mainland China subsidiaries and (ii) the VIE with which we maintained these contractual arrangements and their subsidiaries in mainland China. See "Item 4. Information on the Company—C. Organizational Structure" for further details. Investors in our ADSs thus are not purchasing equity interest in the VIE in mainland China but instead are purchasing equity interest in a Cayman Islands holding company with no equity ownership in the VIE.

In the opinion of our PRC legal counsel, (i) the ownership structures of the VIE and our WFOE in mainland China are not in violation of mandatory provisions of applicable laws and regulations of mainland China currently in effect; and (ii) the agreements under the contractual arrangements among our WFOE, the VIE, and shareholders of the VIE governed by laws of mainland China are valid and binding upon each party to such arrangements and enforceable against each party thereto in accordance with their terms and applicable laws and regulations of mainland China currently in effect. However, we have been further advised by our PRC legal counsel that there are substantial uncertainties regarding the interpretation and application of current or future laws and regulations of mainland China. In particular, there are uncertainties as to how the Foreign Investment Law, which was approved by the National People's Congress on March 15, 2019 and took effect on January 1, 2020, would be interpreted and implemented and if it would represent a major change to the laws and regulations relating to the VIE structures. See "Item 3. Key Information—D. Risk Factors— Risks Relating to Our Corporate Structure—Our current corporate structure and business operations may be substantially affected by the Foreign Investment Law." We cannot assure you that the PRC government would view our contractual arrangements as in compliance with PRC licensing, registration and other regulatory requirements, with existing policies, or with requirements or policies that may be adopted in the future. For example, on February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Regulations and five supporting guidelines, and on May 16, 2023, the CSRC issued another supporting guideline, which regulate the direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. Companies based in mainland China that seek to offer and list securities in overseas markets, either through direct or indirect means, are required to go through the filing procedure with the CSRC and report relevant information. At a press conference held for the Overseas Listing Regulations on February 17, 2023, officials from the CSRC clarified that the CSRC will solicit opinions from the PRC regulatory authorities and complete the filing for companies that seek to offer and list their securities overseas with VIE structure if such companies duly meet the compliance requirements. If we fail to complete the filing with the CSRC in a timely manner, or at all, for our further capital raising activities which are subject to filing requirements under the Overseas Listing Regulations due to the VIE structure, we may be required to unwind the VIE or adjust our business operations to meet the requirements and our ability to raise or utilize funds could be materially and adversely affected. There remain substantial uncertainties as to their interpretation, application, and enforcement of these measures, in particular, for companies with VIE structures, and how they will affect our operations in China and our future capital raising activities.

Our holding company in the Cayman Islands, the VIE, and investments in our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, the business, financial condition, and results of operations of the VIE and our company as a group. In addition, our ADSs may decline in value or become worthless if we are unable to direct the activities of the VIE, which contributed substantially all of our revenues in 2022, 2023, and 2024. Thus, the PRC government may ultimately take a view contrary to the opinion of our PRC legal counsel. If the PRC government otherwise find that we are in violation of any existing or future laws or regulations of mainland China or lack the necessary permits or licenses to operate our business, the governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoking the business licenses and/or operating licenses of our entities in mainland China;
- imposing fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations, or imposing other requirements with which we or the VIE may not be able to comply;
- discontinuing or placing restrictions or onerous conditions on our operations;
- placing restrictions on our right to collect revenues;
- shutting down our servers or blocking our online recruitment platform;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with the VIE and deregistering the equity pledges of the VIE, which in turn would affect our ability to consolidate or derive economic interests from the VIE;
- restricting or prohibiting our use of the proceeds from our offshore offerings or other of our financing activities to finance the business and operations of the VIE; or
- taking other regulatory or enforcement actions that could be harmful to our business.

If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with regulations of mainland China, or if these regulations change or are interpreted differently in the future, our Class A ordinary shares or ADSs may decline in value or become worthless if we are unable to direct the activities of the VIE, which conducts substantially all our business operations that generate external revenues. Our holding company in the Cayman Islands, the VIE, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of our company.

Furthermore, any of the aforementioned events could cause significant disruption to our business operations and severely damage our reputation, which would in turn have a material adverse effect on our business, financial condition and results of operations. If occurrences of any of these events results in our inability to direct the activities of the VIE that most significantly impact their economic performance, and/or our failure to receive the economic benefits and residual returns from the VIE, and we are not able to restructure our ownership structure and operations in a satisfactory manner, we may not be able to consolidate the financial results of the VIE in our consolidated financial statements in accordance with U.S. GAAP.

The contractual arrangements with the VIE and its shareholders may not be as effective as direct ownership in providing operational control.

We have to rely on the contractual arrangements with the VIE and its shareholders to operate the business in areas where foreign ownership is restricted, including but not limited to, provision of certain value-added telecommunication services. For description of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIE and Its Shareholders." These contractual arrangements, however, may not be as effective as direct ownership. For example, the VIE and its shareholders could breach their contractual arrangements with us by, among other things, failing to conduct the operations of the VIE in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of the VIE in mainland China, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIE and its shareholders of their obligations under the contracts. The shareholders of the VIE may not act in the best interests of our company or may not perform their obligations under these contracts. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of laws of mainland China and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system. Meanwhile, there are very few precedents as to whether contractual arrangements would be judged to be effective over the consolidated affiliated entities through the contractual arrangements, or how contractual arrangements in the context of a VIE should be interpreted or enforced by the courts of mainland China. Should legal actions become necessary, we cannot guarantee that the court will rule in favor of the enforceability of the VIE contractual arrangements. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, our ability to conduct our business may be materially adversely affected. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—Any failure by the VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business."

Any failure by the VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

If the VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under laws of mainland China, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under laws of mainland China. For example, if the shareholders of the VIE were to refuse to transfer their equity interests in the VIE to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations. In addition, if any third parties claim any interest in such shareholders' equity interests in the VIE, our ability to exercise shareholders' rights or foreclose the share pledge according to the contractual arrangements may be impaired. If these or other disputes between the shareholders of the VIE and third parties were to impair our status as the primary beneficiary of the VIE, our ability to consolidate the financial results of the VIE would be affected, which would in turn result in a material adverse effect on our business, operations and financial condition.

All the agreements under our contractual arrangements are governed by laws of mainland China and provide for the resolution of disputes through arbitration in mainland China. Accordingly, these contracts would be interpreted in accordance with laws of mainland China and any disputes would be resolved in accordance with PRC legal procedures. Uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. See "—Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could adversely affect us." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated VIE should be interpreted or enforced under laws of mainland China. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under laws of mainland China, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in courts of mainland China through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, our ability to conduct our business may be negatively affected.

The shareholders of the VIE may have actual or potential conflicts of interest with us.

The shareholders of the VIE may have actual or potential conflicts of interest with us. These shareholders may breach, or cause the VIE to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIE, which would have a material and adverse effect on our ability to direct the activities of the VIE and receive economic benefits from it. For example, the shareholders may be able to cause our agreements with the VIE to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the exclusive purchase option agreements with these shareholders to request them to transfer all of their equity interests in the VIE to an entity in mainland China or individual designated by us, to the extent permitted by laws of mainland China. We rely on Mr. Peng Zhao, who is our Chairman and Chief Executive Officer and also a major shareholder of the VIE, to abide by the laws of the Cayman Islands, which provide that directors and officers owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their position for personal gains. The shareholders of the VIE have executed powers of attorney to appoint our WFOE to vote on their behalf and exercise voting rights as shareholders of the VIE. If we cannot resolve any conflict of interest or dispute between us and the shareholders of the VIE, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

The shareholders of the VIE may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in the VIE and the validity or enforceability of our contractual arrangements with the VIE and its shareholders. For example, in the event that any individual shareholder of the VIE divorces his or her spouse, the spouse may claim that the equity interest of the VIE held by such shareholder is part of their community property and should be divided between such shareholder and his or her spouse. If such claim is supported by the court, the equity interest may be obtained by the shareholder's spouse or another third party who is not subject to obligations under our contractual arrangements, which could result in a loss of our status as the primary beneficiary of the VIE. Similarly, if any of the equity interests of the VIE is inherited by a third party with whom the current contractual arrangements are not binding, we could lose our status as the primary beneficiary of the VIE or have to maintain such status by incurring unpredictable costs, which could cause significant disruption to our business and operations and harm our financial condition and results of operations.

Although under our current contractual arrangements, (i) the VIE's shareholders' spouses have executed spousal consent letters under which the spouses agree not to assert any rights over the equity interest in the VIE held by the VIE's shareholders, and (ii) it is expressly provided that the VIE and its shareholders shall not assign any of their respective rights or obligations to any third party without the prior written consent of our WFOE, we cannot assure you that these undertakings and arrangements will be complied with or effectively enforced. In the case any of them is breached or becomes unenforceable and leads to legal proceedings, it could disrupt our business, distract our management's attention and subject us to substantial uncertainties as to the outcome of any such legal proceedings.

Contractual arrangements in relation to the VIE may be subject to scrutiny by the PRC tax authorities and they may determine that we or the VIE owes additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable laws and regulations of mainland China, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements in relation to the VIE were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable laws of mainland China, rules and regulations, and adjust the taxable income of the VIE in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the VIE for PRC tax purposes, which could in turn increase its tax liabilities without reducing our mainland China subsidiaries' tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on the VIE for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if the VIE's tax liabilities increase or if it is required to pay late payment fees and other penalties.

Our current corporate structure and business operations may be substantially affected by the Foreign Investment Law.

On March 15, 2019, the National People's Congress promulgated the PRC Foreign Investment Law, which took effect on January 1, 2020. There remain substantial uncertainties as to the interpretation and implementation of the PRC Foreign Investment Law. The PRC Foreign Investment Law does not explicitly classify whether VIEs that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in mainland China through other means as provided by laws, administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment in mainland China and if yes, how our contractual arrangements should be dealt with.

The PRC Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Version), which we refer to as the "Negative List", most recently jointly promulgated by the Ministry of Commerce and the National Development and Reform Commission, or the NDRC, and became effective on November 1, 2024. The PRC Foreign Investment Law provides that (i) foreign-invested entities operating in "restricted" industries are required to obtain market entry clearance and other approvals from the PRC government authorities; (ii) foreign investors shall not invest in any industries that are "prohibited" under the Negative List. If our consolidation of the VIE for accounting purpose is deemed as foreign investment in the future, and any business of the VIE is "restricted" or "prohibited" from foreign investment under the "Negative List" effective at the time, we may be deemed to be in violation of the PRC Foreign Investment Law, the contractual arrangements may be deemed as invalid and illegal, and we may be required to unwind such contractual arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operation.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

We may lose the ability to use and enjoy assets held by the VIE that are critical to the operation of our business if the VIE declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

The VIE holds certain assets that may be critical to the operation of our business. If the shareholders of the VIE breach the contractual arrangements and voluntarily liquidate the VIE, or if the VIE declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. In addition, if the VIE undergoes an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets, thereby hindering our ability to operate our business, which could materially or adversely affect our business, financial condition and results of operations.

Risks Relating to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations.

The vast majority of our operations are located in mainland China. Accordingly, our business, prospects, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy has unique characteristics in many respects, including with regards to government regulations, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in mainland China, such as land, are still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy, and according to the PRC National Bureau of Statistics, the growth rate has been slowing. The online recruitment service industry is highly sensitive to general economic changes. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to a reduction in demand for our services and adversely affect our competitive position. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may not have the same effect on us.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could adversely affect us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. The overall effect of legislation over the past four decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, PRC legal system is evolving continually and its recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. Our WFOE is a foreign-invested enterprise and is subject to laws and regulations applicable to foreign-invested enterprises, and our WFOE and the VIE are also subject to various Chinese laws and regulations generally applicable to companies incorporated in mainland China. However, since these laws and regulations are relatively new and may be amended from time to time, and because of the limited number of published decisions and the nonbinding nature of such decisions and the significant discretion the regulators legally have in enforcing them, the interpretations of many laws, regulations, and rules may not be uniform and their enforcement involves uncertainties. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. Besides, the PRC is geographically large and divided into various provinces and municipalities and, as such, different laws, rules, regulations and policies may have different and varying applications and interpretations in different parts of the PRC.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since mainland China's administrative and court authorities have discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of protection we enjoy. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

The PRC government's oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our Class A ordinary shares and/or ADSs.

We conduct our business primarily in mainland China. Our operations in China are governed by laws and regulations of mainland China. The PRC government has significant oversight and discretion over the conduct of our business, and may intervene or influence our operations as the government deems appropriate to advance regulatory and societal goals and policy positions. In recent years, the PRC government has published new policies that significantly affected certain industries and we cannot rule out the possibility that it will in the future promulgate regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of our Class A ordinary shares and/or ADSs.

The approval of or filing and reporting with the CSRC or other PRC government authorities may be required in connection with our overseas offerings under laws of mainland China, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing and reporting procedures.

On July 6, 2021, the PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC issued the Overseas Listing Regulations, which became effective on March 31, 2023. Pursuant to the Overseas Listing Regulations, domestic companies in mainland China that directly or indirectly offer or list their securities in an overseas market are required to file with the CSRC. In addition, an overseas listed company must also submit the filing with respect to its follow-on offerings, issuance of convertible corporate bonds and exchangeable bonds, and other equivalent offering activities, within a specific time frame requested under the Overseas Listing Regulations. Based on the foregoing, we may be subject to the filing requirements for our future capital raising activities under the Overseas Listing Regulations. There remain uncertainties as to the interpretation, application and enforcement of these regulations and how these regulations will affect our operations and future overseas offerings. We cannot assure you that we will be able to complete such filing in a timely manner and fully comply with such regulations to maintain the listing status of our ADSs and/or other securities, or to conduct any securities offerings in the future. In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined in the future that approval and filing from the CSRC or other regulatory authorities or other procedures, such as a cybersecurity review, are required for our future overseas offerings, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rescinded or rejected. Any failure to obtain or delay in obtaining such approval or completing such filing procedures for our overseas offerings, or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or filing or other government review or authorization for our overseas offerings. These regulatory authorities may impose fines and penalties on our operations in mainland China, limit our ability to pay dividends outside of mainland China, limit our operating privileges in mainland China, delay or restrict the repatriation of the proceeds from our offshore offerings into mainland China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our shares. The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt our overseas offerings. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our overseas offerings, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our shares. See "—Risks Relating to Our Business and Industry—Our business is subject to complex and evolving laws and regulations in mainland China. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business."

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in our ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA, as amended by the Consolidated Appropriations Act, 2023, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, and our auditor was subject to that determination. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended December 31, 2022 and do not expect to be identified so after we file this annual report on Form 20-F.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. Although our Class A ordinary shares have been listed on the Hong Kong Stock Exchange and the ADSs and Class A ordinary shares are fully fungible, we cannot assure you that an active trading market for our Class A ordinary shares on the Hong Kong Stock Exchange will be sustained or that the ADSs can be converted and traded with sufficient market recognition and liquidity, if our shares and ADSs are prohibited from trading in the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

Litigation and negative publicity surrounding China-based companies listed in the U.S. may result in increased regulatory scrutiny of us and negatively impact the trading price of the ADSs and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

We believe that litigation and negative publicity surrounding companies with operations in China that are listed in the U.S. have negatively impacted stock prices for such companies. Various equity-based research organizations have published reports on China-based companies after examining, among other things, their corporate governance practices, related party transactions, sales practices and financial statements that have led to special investigations and stock suspensions on national exchanges. Any similar scrutiny of us, regardless of its lack of merit, could result in a diversion of management resources and energy, potential costs to defend ourselves against rumors, decreases and volatility in the ADS trading price, and increased directors and officers insurance premiums and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a holding company, and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. Current PRC regulations permit our mainland China subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of the statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our mainland China subsidiaries is required to set aside at least 10% of its accumulated profits each year, after making up previous years' accumulated losses, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. For a detailed discussion of applicable PRC regulations governing distribution of dividends, see "Item 4. Information on the Company—B. Business Overview—Regulations— Regulations Relating to Dividend Distributions." Additionally, if our mainland China subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. Any limitation on the ability of our mainland China subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Any restriction on currency exchange may limit the ability of our mainland China subsidiaries to use their Renminbi revenues to pay dividends to us. The PRC government may continue to strengthen its capital controls and our mainland China subsidiaries' dividends and other distributions may be subject to tightened scrutiny in the future. Any limitation on the ability of our mainland China subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the PRC Enterprise Income Tax Law and its implementation rules provide that a withholding tax at a rate of 10% will be applicable to dividends payable by Chinese companies to non-mainland China-resident enterprises unless reduced under treaties or arrangements between the PRC central government and governments of other countries or regions where the non-mainland China resident enterprises are tax resident. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We may not be able to obtain certain benefits on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary."

Increases in labor costs and enforcement of stricter labor laws and regulations in China may adversely affect our business and our profitability.

China's overall economy and the average wage in China have increased in recent years, and we expect them to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to those who pay for our services, our profitability and results of operations may be materially and adversely affected.

We are subject to regulatory requirements in connection with entering into labor contracts with our employees and paying various statutory employee benefits, including pensions insurance, housing provident fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. The PRC Labor Contract Law and its implementation rules govern signing labor contracts, minimum wages, paying remuneration, determining the term of employee's probation and unilaterally terminating labor contracts. In addition, enterprises are forbidden to force laborers to work beyond the time limit and employers shall pay laborers for overtime work in accordance with the laws and regulations. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

We cannot assure you that we have complied, or as the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that we will be able to comply with all labor-related law and regulations, including those relating to obligations to make social insurance payments, to contribute to the housing provident fund, and to make overtime payment and other similar payment payable by us to our employees. If we are deemed to have violated labor laws and regulations, we could be required to provide additional compensation to our employees and be subject to orders by competent labor authorities for rectification, and failure to comply with the orders may further subject us to administrative fines. In such an event, our business, financial condition and results of operations will be adversely affected.

Our business may be negatively affected if we fail to comply with social insurance and housing provident fund related laws and regulations.

We are required by the PRC Labor Law and the relevant regulations to pay various statutory employee benefits, including pensions insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing provident fund, to designated government agencies for the benefit of our employees and associates. In October 2010, the Standing Committee of the National People's Congress promulgated the Social Insurance Law of the PRC, effective on July 1, 2011 and amended on December 29, 2018. On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Provident Fund, which were last amended on March 24, 2019. Companies registered and operating in mainland China are required under the Social Insurance Law of the PRC and the Regulations on the Administration of Housing Provident Fund to apply for social insurance registration and housing provident fund deposit registration within 30 days of their establishment and to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. We could be subject to orders by competent labor authorities for rectification if we fail to comply with such social insurance and housing provident fund related laws and regulations, and failure to comply with the orders may further subject us to administrative fines. The relevant government agencies may examine whether an employer has made adequate payments of the requisite statutory employee benefits, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. If the PRC authorities determine that we shall make supplemental social insurance and housing provident fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing provident fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against Hong Kong dollars and the U.S. dollars, at times significantly and unpredictably. The value of Renminbi against Hong Kong dollars, U.S. dollars, and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against Hong Kong dollars or U.S. dollars in the future. It is difficult to predict how market forces or PRC or U.S. government policies may impact the exchange rate between Renminbi, Hong Kong dollars and U.S. dollars in the future.

Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our Class A ordinary shares and/or ADSs in foreign currency. For example, to the extent that we need to convert Hong Kong dollars or U.S. dollars we receive into Renminbi to pay our operating expenses, appreciation of Renminbi against Hong Kong dollars or the U.S. dollars would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against Hong Kong dollars or the U.S. dollars may significantly reduce the Hong Kong dollar or the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our Class A ordinary shares and/or ADSs.

Very limited hedging options are available in mainland China to reduce our exposure to exchange rate fluctuations. As of the date of this annual report, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

PRC regulation of loans to and direct investment in entities in mainland China by offshore holding companies and governmental control of currency conversion may delay or prevent us from making loans or additional capital contributions to our mainland China subsidiaries and the VIE, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in mainland China through our mainland China subsidiaries and the VIE. We may make loans to our mainland China subsidiaries and the VIE subject to the approval from or registration with governmental authorities and limitation on amount, we may make additional capital contributions to our wholly foreign-owned subsidiaries in mainland China, we may establish new mainland China subsidiaries and make capital contributions to these new mainland China subsidiaries, or we may acquire offshore entities with business operations in mainland China in an offshore transaction.

Most of the aforementioned ways of making loans or investments in entities in mainland China are subject to regulations and approvals of mainland China. For example, any loans to our mainland China subsidiaries and the VIE are subject to applicable foreign loan registrations with the local counterpart of SAFE and limitation on amount under laws of mainland China. If we decide to finance our wholly owned subsidiary in mainland China by means of capital contributions, these capital contributions are subject to reporting, filing or registration with certain PRC government authorities, including the Ministry of Commerce or its local counterparts and the SAMR through its Enterprise Registration System, the National Enterprise Credit Information Publicity System and the local counterpart of SAFE. In addition, a foreign invested enterprise shall use its capital pursuant to the principle of authenticity and self-use within its business scope.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign Invested Enterprises, or SAFE Circular 19, effective on June 1, 2015 and last amended on March 23, 2023, in replacement of a former regulation. According to SAFE Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans (unless otherwise permitted in the business license), the repayment of inter-enterprise loans or the repayment of bank loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within mainland China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in mainland China in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or SAFE Circular 16, effective on June 9, 2016 and last amended on December 4, 2023, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Specifically, SAFE Circular 16 provides that the capital of a foreign invested enterprise shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of such foreign invested enterprise or the payment prohibited by the laws and regulations; (ii) directly or indirectly used for investment in securities or other investments excluding financial products and structured deposits with risk rating results not higher than Grade II unless otherwise provided by the laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of residential real estate that is not for self-use (except for the enterprises primarily involved in the development, operation, and management of real estate, or those engaged in the rental property business). Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from our offshore offerings, to our mainland China subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in mainland China. On October 23, 2019, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and Investment, or SAFE Circular 28, last amended on December 4, 2023, which, among other things, allows all foreign-invested companies to use Renminbi converted from foreign currency-denominated capital for equity investments in mainland China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the Negative List on foreign investment. On April 10, 2020, SAFE promulgated the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business, or SAFE Circular 8, under which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing without providing the evidentiary materials concerning authenticity of each expenditure in advance, provided that their capital use shall be authentic and conforms to the prevailing administrative regulations on the use of income under capital accounts. Since this notice, SAFE Circular 28 and SAFE Circular 8 are relatively new, it is unclear how SAFE and competent banks will carry them out in practice.

Because we direct the activities of the VIE through contractual arrangements, we are not able to make capital contribution to the VIE and its subsidiaries; however, we may provide financial support to them by loans. Under the laws and regulations of mainland China, loans to the VIE directly from the Cayman entity shall not exceed 200% of the net assets of the VIE, whereas loans from our mainland China subsidiaries, subject to the laws and regulations of mainland China concerning foreign currency, are not subject to amount limitations. Even though Renminbi capital, foreign debt and repatriated funds raised through overseas listing may be used at the discretion of the foreign-invested enterprise pursuant to SAFE Circular 19 and SAFE Circular 16, it is still not clear whether our mainland China subsidiaries, as foreign invested enterprises, are allowed to extend intercompany loans to the VIE. See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Exchange—Regulations on Foreign Currency Exchange.”

In light of the various requirements imposed by PRC regulations on loans to and direct investment in entities in mainland China by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, or at all, with respect to future loans by us to our mainland China subsidiaries or the VIE or its subsidiaries or with respect to future capital contributions by us to our mainland China subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from our offshore offerings and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China. We receive substantially all of our revenues in RMB. Under our current corporate structure, our company in the Cayman Islands may rely on dividend payments from our mainland China subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our wholly foreign-owned subsidiaries in mainland China are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are mainland China residents. But approval from or registration with appropriate government authorities or delegated banks is required where RMB is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our Class A ordinary shares and/or ADSs.

PRC regulations relating to offshore investment activities by mainland China residents may limit our mainland China subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under laws of mainland China.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles, or SAFE Circular 37. SAFE Circular 37 requires mainland China residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as mainland China residents for foreign exchange administration purposes) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to our shareholders who are mainland China residents and may be applicable to any offshore acquisitions that we make in the future. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment, or SAFE Circular 13, released on February 13, 2015 by the SAFE, and amended on December 30, 2019, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015. The mainland China residents shall, by themselves or entrusting accounting firms or banks, file with the online information system designated by SAFE with respect to its existing rights under offshore direct investment each year prior to the requisite time.

If our shareholders or beneficial owners who are mainland China residents do not complete their registration or change of the registration with the local SAFE branches or qualified local banks or complete annual filing of its existing rights under offshore direct investment, or fail to obtain the approval or complete the filing with the NDRC or the Ministry of Commerce or their local counterparts relating to the overseas investment activities, our mainland China subsidiaries may be prohibited from distributing to us its profits and proceeds from any reduction in capital, share transfer or liquidation, and we may be restricted in our ability to contribute additional capital to our mainland China subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under laws of mainland China for evasion of applicable foreign exchange restrictions.

We have used our best efforts to notify mainland China residents who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being mainland China residents to timely complete the foreign exchange registrations and the annual filings of their existing rights under offshore direct investment. However, we may not be informed of the identities of all the mainland China residents or entities holding direct or indirect interest in our company, nor can we compel our all shareholders or beneficial owners who are mainland China residents to comply with SAFE registration requirements or other regulations relating to overseas investment activities issued by the NDRC and the Ministry of Commerce. We cannot assure you that all shareholders or beneficial owners of ours who are mainland China residents have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by, SAFE regulations or other regulations relating to overseas investment activities issued by the NDRC and the Ministry of Commerce.

The failure or inability of such shareholders or beneficial owners to comply with SAFE regulations, or our failure to amend the foreign exchange registrations of our mainland China subsidiaries, or other regulations relating to overseas investment activities issued by the NDRC and the Ministry of Commerce, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our mainland China subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

Mainland China's M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in mainland China.

A number of laws and regulations of mainland China have established procedures and requirements that could make merger and acquisition activities in mainland China by foreign investors more time consuming and complex. In addition to the Anti-Monopoly Law of the PRC, itself, these include the Rules on Acquisition of Domestic Enterprises by Foreign Investors adopted by six PRC regulatory agencies in 2006, which were amended in 2009, and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated in 2011. These laws and regulations impose requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Anti-Monopoly Law of the PRC requires that the Ministry of Commerce be notified in advance of any concentration of undertaking if certain thresholds are triggered. Moreover, the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the regulations to complete such transactions could be time consuming, and any required approval processes, including approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

It may be difficult for overseas regulators to conduct investigation or collect evidence within mainland China.

Shareholder claims or regulatory investigation that are common in Hong Kong or the United States generally are difficult to pursue as a matter of law or practicality in the Chinese mainland. For example, in the Chinese mainland, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside of the Chinese mainland. Although the authorities in the Chinese mainland may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of mainland China. The Provisions on Strengthening the Confidentiality and Archive Management Work Relating to the Overseas Securities Offering and Listing by Domestic Companies, which became effective on March 31, 2023, provides that overseas securities regulatory authorities or other relevant regulatory authorities shall conduct investigation and evidence collection in relation to the overseas offering and listing of the securities of PRC domestic companies through cross-border cooperation. PRC domestic companies shall obtain prior consent from the CSRC or other domestic authorities before cooperating with such overseas securities regulatory authorities or other overseas authorities in connection with such inspections or investigations or providing documents to such overseas securities regulatory authorities or other overseas authorities. The inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within mainland China may further increase difficulties faced by you in protecting your interests. See also "—Risks Relating to Our Shares and Our ADSs—You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or U.S. courts may be limited, because we are incorporated under Cayman Islands law" for risks associated with investing in us as a Cayman Islands company.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, mainland China residents who participate in share incentive plans in overseas non-publicly listed companies due to their position as director, senior management or employees of the mainland China subsidiaries of the overseas companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. Our directors, executive officers and other employees who are mainland China residents and who have been granted share-based awards may follow SAFE Circular 37 to apply for the foreign exchange registration before our company becomes an overseas listed company. In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Company, or SAFE Circular 7. Under SAFE Circular 7 and other rules and regulations, mainland China residents who participate in stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are mainland China residents must retain a qualified PRC agent, which could be a subsidiary in mainland China of such overseas publicly listed company or another qualified institution selected by such subsidiary in mainland China, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of share-based awards, the purchase and sale of corresponding shares or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. We and our PRC employees who have been granted share-based awards are subject to SAFE Circular 7 and other rules and regulations these regulations. Failure of our PRC share-based award holders to complete their SAFE registrations may subject these mainland China residents to fines and legal sanctions and may also limit our ability to contribute additional capital into our mainland China subsidiaries, limit our mainland China subsidiaries' ability to distribute dividends to us, adopt additional incentive plans for our directors or employees under laws of mainland China or otherwise materially adversely affect our business.

In addition, the State Administration of Taxation has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in mainland China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our mainland China subsidiaries have obligations to file documents related to employee share options or restricted shares with the tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to the laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

If we are classified as a mainland China resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of mainland China with a "de facto management body" within mainland China is considered a mainland China resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation issued the Notice Regarding the Determination of PRC-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in mainland China. Although Circular 82 only applies to offshore enterprises controlled by mainland China enterprises or mainland China enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a mainland China enterprise or a mainland China enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in mainland China and will be subject to mainland China enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in mainland China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in mainland China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in mainland China; and (iv) at least 50% of voting board members or senior executives habitually reside in mainland China.

We believe that none of our entities outside of mainland China is a mainland China resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that we are a mainland China resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with mainland China enterprise income tax reporting obligations. In addition, gains realized on the sale or other disposition of the Class A ordinary shares and/or ADSs may be subject to PRC tax, at a rate of 10% in the case of non-resident enterprises unless otherwise reduced or exempted by applicable tax treaties or similar arrangements, or 20% in the case of non-resident individuals, if such gains are deemed to be from PRC sources. It is unclear whether non-mainland China shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and mainland China in the event that we are treated as a mainland China resident enterprise. Any such tax may reduce the returns on your investment in the Class A ordinary shares and/or ADSs.

In addition to the uncertainty as to the application of the "resident enterprise" classification, we cannot assure you that the PRC government will not amend or revise the taxation laws, rules and regulations to impose stricter tax requirements or higher tax rates. Any of such changes could materially and adversely affect our financial condition and results of operations.

We may not be able to obtain certain benefits on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary.

We are a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our mainland China subsidiaries to satisfy part of our liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a mainland China "resident enterprise" to a foreign enterprise investor, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with mainland China that provides for preferential tax treatment. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a mainland China enterprise. According to the Announcement of the State Administration of Taxation on Issues concerning the "Beneficial Owner" in Tax Treaties, which became effective in April 2018, whether a resident enterprise is a "beneficial owner" that can apply for a low tax rate under tax treaties depends on an overall assessment of several factors, which may bring uncertainties to the applicability of preferential tax treatment under the tax treaties. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Treaties, which became effective in January 2020, require non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file reports and other materials with the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate. See "Item 10. Additional Information—E. Taxation." In the future, we intend to re-invest all earnings, if any, generated from our mainland China subsidiaries for the operation and expansion of our business in China. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the tax authority or we will be able to complete the necessary filings with the tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our mainland China subsidiaries to our Hong Kong subsidiary.

We face uncertainty with respect to indirect transfers of equity interests in mainland China resident enterprises by their non-mainland China holding companies.

In February 2015, the State Administration of Taxation issued the Bulletin on Issues of Enterprise Income Tax on Indirect Transfer of Assets by Non-Resident Enterprises, or SAT Bulletin 7. SAT Bulletin 7 extends its tax jurisdiction to not only indirect transfers but also transactions involving transfer of other taxable assets, through the offshore transfer of a foreign intermediate holding company. In addition, SAT Bulletin 7 provides certain criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Bulletin 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a nonresident enterprise conducts an "indirect transfer" by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the mainland China entity which directly owned the taxable assets may report to the tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to mainland China enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a mainland China resident enterprise unless otherwise reduced or exempted by applicable tax treaties or similar arrangements. On October 17, 2017, the State Administration of Taxation issued the Bulletin on Issues Concerning the Withholding of Non-PRC Resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017 and amended on June 15, 2018. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of nonresident enterprise income tax.

We face uncertainties on the reporting and consequences of future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our company by investors that are non-mainland China resident enterprises. The PRC tax authorities may pursue such non-resident enterprises with respect to a filing or the transferees with respect to withholding obligation, and request our mainland China subsidiaries to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under SAT Bulletin 7 and SAT Bulletin 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

If the custodians or authorized users of controlling non-tangible assets of our company, including our corporate chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.

Under laws of mainland China, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the SAMR. Although we usually utilize chops to enter into contracts, the designated legal representatives of our WFOE and the VIE have the apparent authority to enter into contracts on behalf of these entities without chops and bind the entities. The designated legal representatives of our entities in mainland China have signed employment agreements with us or these entities in mainland China under which they agree to abide by various duties. In order to maintain the physical security of our chops and chops of our entities in mainland China, we generally store these items in secured locations accessible only by the authorized personnel in the administrative department of each of our subsidiaries. Although we monitor such authorized personnel, there is no assurance such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the entities and experience significant disruption to our operations. If a designated legal representative obtains control of the chops in an effort to obtain control over our entities in mainland China, we or our entities in mainland China would need to pass a new shareholder or board resolution to designate a new legal representative and we would need to take legal action to seek the return of the chops, apply for new chops with the authorities, or otherwise seek legal redress for the violation of the representative's fiduciary duties to us, which could involve significant time and resources and divert management attention away from our regular business. In addition, the affected entities may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

Risks Relating to Our Shares and Our ADSs

The trading price of the ADSs has been and may be, and the trading price of our Class A ordinary shares can be, volatile, which could result in substantial losses to investors.

The trading price of the ADSs has been volatile and could fluctuate widely due to factors beyond our control. The trading price of our Class A ordinary shares, likewise, can be volatile for similar or different reasons. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong or the United States. The securities of some of these companies, including online recruitment services companies, have experienced significant volatility, including, in some cases, substantial price declines in their trading prices. The trading performances of other Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in Hong Kong and/or the United States in general and consequently may impact the trading performance of our Class A ordinary shares and/or ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for the Class A ordinary shares and/or ADSs may be highly volatile for factors specific to our own operations, including the following:

- actual or anticipated variations in our revenues, earnings and cash flow;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- fluctuations in key operating metrics;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;
- announcements of studies and reports relating to the quality of the services offered in our online recruitment platform or similar platforms of our competitors;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- detrimental adverse publicity about us, our services or our industry;
- announcements of new regulations, rules or policies relevant to our business;
- additions or departures of key personnel;
- potential sales of additional equity securities;
- potential litigation or regulatory investigations; and
- other events or factors, including those resulting from war, epidemics, incidents of terrorism or responses to these events.

Any of these factors may result in large and sudden changes in the volume and price at which the Class A ordinary shares and/or ADSs will trade. Furthermore, the stock market in general experiences price and volume fluctuations that are often unrelated or disproportionate to the operating performance of companies like us. These broad market and industry fluctuations may adversely affect the market price of our Class A ordinary shares and/or ADSs. Volatility or a lack of positive performance in the price of Class A ordinary shares and/or ADSs may also adversely affect our ability to retain key employees, most of whom have been granted equity incentives.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. A shareholder class action lawsuit has been filed against us and certain of our directors and officers. See "Item 4. Information on the Company—B. Business Overview—Legal and Administrative Proceedings" for more details. Our involvement in a class action suit could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares or ADSs may view as beneficial.

Pursuant to our currently effective memorandum and articles of association, our authorized share capital consists of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to 10 votes per share, subject to certain exceptions as set out in our memorandum and articles of association. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

Mr. Peng Zhao, our Founder, Chairman and Chief Executive Officer, beneficially owns all of our issued Class B ordinary shares. As of February 28, 2025, these Class B ordinary shares constituted 15.9% of our total issued and outstanding shares and 65.4% of the aggregate voting power of our total issued and outstanding shares, subject to certain exceptions, due to the disparate voting powers associated with our dual-class share structure. As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares will have considerable influence over matters such as decisions regarding mergers and consolidations, election of directors and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our Class A ordinary shares and/or ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

The dual-class structure of our ordinary shares may adversely affect the trading market for our Class A ordinary shares and/or ADSs.

Certain shareholder advisory firms have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual-class structure of our ordinary shares may prevent the inclusion of our ADSs representing Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A ordinary shares and/or ADSs. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A ordinary shares and/or ADSs.

We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term shareholder value, and share repurchases could increase the volatility of the price of our Class A ordinary shares and/or ADSs and could diminish our cash reserves.

On March 9, 2022, our board of directors authorized a share repurchase program for the repurchase of up to US$150 million of our shares (including in the form of ADSs) over the following 12 months. We repurchased US$131.2 million of our shares during that 12-month period. On March 20, 2023, our board of directors authorized a share repurchase program for the repurchase of up to US$150 million of our shares (including in the form of ADSs) over the following 12 months. We repurchased US$26.0 million of our shares during that 12-month period. On March 12, 2024, our board of directors authorized a share repurchase program effective from March 20, 2024 for a 12-month period, under which we may repurchase up to US$200 million of our shares (including in the form of ADSs). In August 2024, our board of directors authorized a new share repurchase program effective from August 29, 2024 for a 12-month period, under which we could repurchase up to US$150 million of our shares (including in the form of ADSs). This share repurchase program operates in conjunction with the previous share repurchase program that became effective on March 20, 2024. See "Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers."

Our board of directors also has the discretion to authorize additional share repurchase programs in the future. The share repurchase programs do not obligate us to repurchase any specific dollar amount or to acquire any specific number of ADSs. We cannot guarantee that any share repurchase program will enhance long-term shareholder value. The share repurchase programs could affect the price of our Class A ordinary shares and/or ADSs and increase volatility and may be suspended or terminated at any time, which may result in a decrease in the trading price of our Class A ordinary shares and/or ADSs. Furthermore, share repurchases could increase the volatility of the price of our Class A ordinary shares and/or ADSs and could diminish our cash reserves.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding the Class A ordinary shares and/or ADSs, the market price for our Class A ordinary shares and ADSs and trading volume could decline.

The trading market for our Class A ordinary shares and/or ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our Class A ordinary shares and/or ADSs or publishes inaccurate or unfavorable research about our business, the market price for our Class A ordinary shares and/or ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our Class A ordinary shares and ADSs to decline.

You may need to rely on price appreciation of our Class A ordinary shares and/or ADSs for return on your investment.

Our board of directors approved a special cash dividend in the amount of US$0.09 per Class A ordinary share, or US$0.18 per ADS in November 2023. The aggregate amount of the dividend was approximately US$79.2 million. Our board of directors may declare, and our company may pay, dividends after taking into account the results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as they may deem relevant.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be paid. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Class A ordinary shares and/or ADSs will likely depend entirely upon any future price appreciation of our Class A ordinary shares and/or ADSs. There is no guarantee that our Class A ordinary shares and/or ADSs will appreciate in value or even maintain the price at which you purchased the Class A ordinary shares and/or ADSs. You may not realize a return on your investment in our Class A ordinary shares and/or ADSs and you may even lose your entire investment in our Class A ordinary shares and/or ADSs.

Techniques employed by short sellers may drive down the market price of our Class A ordinary shares and/or ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies that have substantially all of their operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in the Class A ordinary shares and/or ADSs could be greatly reduced or even rendered worthless.

Substantial future sales or perceived potential sales of our Class A ordinary shares and/or ADSs in the public market could cause the price of our Class A ordinary shares and/or ADSs to decline.

Sales of our Class A ordinary shares and/or ADSs in the public market, or the perception that these sales could occur, could cause the market price of our Class A ordinary shares and/or ADSs to decline. Such sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. If any existing shareholder or shareholders sell a substantial amount of our Class A ordinary shares and/or ADSs, the prevailing market price for our Class A ordinary shares and/or ADSs could be adversely affected.

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year, which could subject U.S. Holders of our ADSs to significant adverse United States federal income tax consequences.

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income, or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income (the "asset test"). Although the law in this regard is not entirely clear, we treat the VIE (including its subsidiaries) as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with them. As a result, we consolidate their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the VIE for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year. Assuming that we are the owner of the VIE for U.S. federal income tax purposes, we do not believe that we were a PFIC for the taxable year ended December 31, 2024 and do not expect to be a PFIC for the current taxable year or the foreseeable future.

While we do not expect to be or become a PFIC, no assurance can be given in this regard because the determination of whether we will be or become a PFIC for any taxable year is a fact intensive determination made annually that depends, in part, upon the composition and classification of our income and assets. Fluctuations in the market price of our Class A ordinary shares and ADSs may cause us to be or become a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our Class A ordinary shares and ADSs from time to time (which may be volatile).

If we are or become a PFIC for any taxable year during which a U.S. Holder (as defined in "Item 10. Additional Information — E. Taxation—United States Federal Income Tax Considerations—General") holds our ADSs, certain adverse U.S. federal income tax consequences could apply to the U.S. Holder. See "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive foreign investment company considerations."

Our memorandum and articles of association and the deposit agreement provide that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) is the exclusive judicial forum within the U.S. for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, and any suit, action or proceeding arising out of or relating in any way to our ADSs or the deposit agreement, which could limit the ability of holders of our Class A ordinary shares, ADSs or other securities to obtain a favorable judicial forum for disputes with us, our directors and officers, the depositary, and potentially others.

Our memorandum and articles of association provide that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) is the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than our company. Our deposit agreement with the depositary also provides that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) will have jurisdiction to hear and determine any suit, action, or proceeding and to settle any dispute between the depositary and us that may arise out of or relate in any way to the deposit agreement, including claims under the Securities Act. Holders and beneficial owners of our ADSs, by holding an ADS or an interest therein, understand and irrevocably agree that any legal suit, action, or proceeding against or involving us or the depositary arising out of or related in any way to the deposit agreement, ADSs, or the transactions contemplated thereby or by virtue of ownership thereof, including without limitation claims under the Securities Act, may only be instituted in the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks jurisdiction or such designation of the exclusive forum is, or becomes, invalid, illegal, or unenforceable, in the state courts of New York County, New York). However, the enforceability of similar federal court choice of forum provisions has been challenged in legal proceedings in the United States, and a court could find this type of provision to be inapplicable, unenforceable, or inconsistent with other documents relevant to the filing of such lawsuits. If a court were to find the federal court choice of forum provision contained in our memorandum and articles of association or our deposit agreement with the depositary to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. If upheld, the forum selection clause in our memorandum and articles of association, as well as the forum selection provisions in the deposit agreement, may limit a security-holder's ability to bring a claim against us, our directors and officers, the depositary, and potentially others in his or her preferred judicial forum, and this limitation may discourage such lawsuits. In addition, the Securities Act provides that both federal and state courts have jurisdiction over suits brought to enforce any duty or liability under the Securities Act or the rules and regulations thereunder. Accepting or consent to this forum selection provision does not constitute a waiver by you of compliance with federal securities laws and the rules and regulations thereunder. You may not waive compliance with federal securities laws and the rules and regulations thereunder. The exclusive forum provision in our memorandum and articles of association will not operate so as to deprive the courts of the Cayman Islands from having jurisdiction over matters relating to our internal affairs.

You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors owed to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors owed to us under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in Hong Kong or the United States. In particular, the Cayman Islands has a less developed body of securities laws than Hong Kong or the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

Shareholders of Cayman Islands exempted companies like our company have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies (other than our memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders). Save that any register of members held in Hong Kong shall during normal business hours be open to inspection by a shareholder without charge and any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Hong Kong Listing Rules as the Board may determine for each inspection, our directors have discretion under our memorandum and articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of our board of directors or controlling shareholders than they would as public shareholders of a company incorporated in Hong Kong and the United States.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in mainland China against us or our management based on foreign laws.

We are an exempted company incorporated under the laws of the Cayman Islands. However, we conduct substantially all of our operations in mainland China and most of our assets are located in mainland China. In addition, all of our directors and senior executive officers reside within mainland China for at least a significant portion of the time and most are PRC nationals. As a result, it may be difficult for you to effect service of process upon us or our management residing in mainland China. It may also be difficult for you to enforce in U.S. courts of the judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. On January 9, 2021, the Ministry of Commerce promulgated the Measures for Blocking Improper Extraterritorial Application of Foreign Laws and Measures with immediate effect. Under these measures, if a citizen, legal person or other organization of mainland China is prohibited or restricted by foreign legislation and other measures from engaging in normal economic, trade and related activities with a third state (or region) or its citizens, legal persons or other organizations, the citizen, legal person or other organization shall truthfully report such matters to the Ministry of Commerce within 30 days. Upon assessment and confirmation that there exists unjustified extra-territorial application of foreign legislation and other measures, the Ministry of Commerce will issue a prohibition order to prevent the foreign legislation and other measures from being accepted, executed, or observed, but such a citizen, legal person or other organization may apply to the Ministry of Commerce for an exemption from compliance with such prohibition order. However, since these measures are relatively new, their enforcement involves uncertainty in practice.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. courts of mainland China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between mainland China and the country where the judgment is made or on principles of reciprocity between jurisdictions. Mainland China does not have any treaties or other forms of written arrangement with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the courts of mainland China will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of laws of mainland China or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a court of mainland China would enforce a judgment rendered by a court in the United States.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. However, we cannot make such rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

You may not receive the distributions we make on our Class A ordinary shares if the depositary decides it is impractical to make them available to you.

The depositary will distribute cash dividends on the ADSs only to the extent that we decide to distribute dividends on our Class A ordinary shares or other deposited securities. To the extent that there is a distribution, the depositary of our ADSs has agreed to distribute to you the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is impractical to make a distribution available to any holders of our ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property to you.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of the ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD; and
- certain audit committee independence requirements in Rule 10A-3 of the Exchange Act.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Global Select Market. Press releases relating to financial results and material events are furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC is less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

We are a "controlled company" within the meaning of the Nasdaq Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

We are a "controlled company" as defined under the Nasdaq Stock Market Rules because Mr. Peng Zhao, our Founder, Chairman and Chief Executive Officer, beneficially owns more than 50% of our total voting power. For so long as we remain a controlled company under that definition, we are permitted to, and rely on, certain exemptions from corporate governance rules, including exemptions from (i) having the majority of our board of directors composed of independent directors, (ii) having a compensation committee composed entirely of independent directors, and (iii) having a nomination committee composed entirely of independent directors. As a result, you may not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. Mr. Peng Zhao, a non-independent director, is a member of our compensation committee and nomination committee, whose extensive experience in talent management and human resource is considered to be valuable for the functioning of our compensation committee and nomination committee.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with such corporate governance listing standards.

As a Cayman Islands company listed on the Nasdaq Global Select Market, we are subject to the Nasdaq Stock Market's corporate governance listing standards. However, Nasdaq Stock Market's rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Stock Market's corporate governance listing standards. If we choose to follow any home country practice in the future, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq Stock Market's corporate governance listing standards applicable to U.S. domestic issuers. In addition, if we are subject to listing standards or other rules or regulations of other jurisdictions in the future, those requirements may further change the degree of protection for our shareholders to the extent they differ from the Nasdaq Stock Market's corporate governance listing standards applicable to U.S. domestic issuers.

The voting rights of ADS holders are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct how the Class A ordinary shares which are represented by your ADSs are voted.

Holders of ADSs do not have the same rights as our shareholders. As a holder of our ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. As an ADS holder, you will only be able to exercise the voting rights carried by the underlying Class A ordinary shares which are represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will endeavor, as far as is practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions, in the case of voting by poll, and in accordance with the instructions provided by a majority of the ADS holders who provide instructions, in the case of a vote by show of hands. If we ask for your instructions, then upon receipt of your voting instructions, the depositary will endeavor to vote the underlying Class A ordinary shares represented by your ADSs in accordance with these instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares unless you withdraw such shares, and become the registered holder of such shares prior to the record date for the general meeting. Under our memorandum and articles of association, advance notice of not less than 21 days is required for the convening of our annual general shareholders' meeting and advance notice of not less than 14 days is required for the convening of any other general meeting of our shareholders. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the underlying Class A ordinary shares represented by your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying Class A ordinary shares represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We have agreed to give the depositary notice of shareholder meetings sufficiently in advance of such meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the shares underlying your ADSs are voted and you may have no legal remedy if the underlying Class A ordinary shares represented by your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting. Except in limited circumstances specified in the deposit agreement, the depositary for our ADSs will give us a discretionary proxy to vote the underlying Class A ordinary shares represented by your ADSs if you do not instruct the depositary to vote at shareholders' meetings, which could adversely affect your interests.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depositary. In the event that the terms of an amendment impose or increase fees or charges (other than in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses) or materially prejudice an existing substantial right of the ADS holders, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason. For example, terminations may occur when we decide to list our shares on a non-U.S. securities exchange and determine not to continue to sponsor an ADS facility or when we become the subject of a takeover or a going-private transaction. If the ADS facility will terminate, ADS holders will receive at least 30 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying Class A ordinary shares, but will have no right to any compensation whatsoever.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, in the state courts in New York County, New York) shall have exclusive jurisdiction to hear and determine claims arising out of or relating in any way to the deposit agreement (including claims arising under the Securities Act) and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waives the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depositary, lead to increased costs to bring a claim, limited access to information and other imbalances of resources between such holder and us, or limit such holder's ability to bring a claim in a judicial forum that such holder finds favorable. If a lawsuit is brought against us or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extend a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs shall relieve us or the depositary from our respective obligations to comply with the Securities Act and the Exchange Act nor serve as a waiver by any holder or beneficial owner of ADSs of compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

The depositary for the ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not timely provide voting instructions to the depositary, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not timely provide voting instructions to the depositary, the depositary will give us a discretionary proxy to vote our ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have failed to timely provide the depositary with notice of the meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- we have informed the depositary that a matter to be voted on at the meeting may have an adverse impact on the rights of shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that if you do not timely provide voting instructions to the depositary in the manner required by the deposit agreement, you cannot prevent our Class A ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our Class A ordinary shares are not subject to this discretionary proxy.

The characteristics of the U.S. capital markets and the Hong Kong capital markets are different.

The Nasdaq Global Select Market and the Hong Kong Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our Class A ordinary shares and the ADSs representing them might not be the same, even allowing for currency differences. Fluctuations in the price of the ADSs due to circumstances peculiar to its home capital market could materially and adversely affect the price of the Class A ordinary shares. Certain events having significant negative impact specifically on the U.S. capital markets may result in a decline in the trading price of our Class A ordinary shares notwithstanding that such event may not impact the trading prices of securities listed in Hong Kong generally or to the same extent, or vice versa.

Exchange between our Class A ordinary shares and the ADSs may adversely affect the liquidity or trading price of each other.

The ADSs are currently traded on the Nasdaq Global Select Market. Subject to compliance with U.S. securities laws and the terms of the deposit agreement, holders of our Class A ordinary shares may deposit Class A ordinary shares with the depositary in exchange for the issuance of the ADSs. Any holder of ADSs may also present ADSs for cancellation and withdraw the underlying Class A ordinary shares pursuant to the terms of the deposit agreement for trading on the Hong Kong Stock Exchange. In the event that a substantial number of Class A ordinary shares are deposited with the depositary in exchange for ADSs or vice versa, the liquidity and trading price of our Class A ordinary shares on the Hong Kong Stock Exchange and the ADSs on the Nasdaq Global Select Market may be adversely affected.

The time required for the exchange between our Class A ordinary shares and the ADSs might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period, and the exchange of Class A ordinary shares into ADSs involves costs.

There is no direct trading or settlement between the Nasdaq Global Select Market and the Hong Kong Stock Exchange on which the ADSs and our Class A ordinary shares are respectively traded. In addition, the time differences between Hong Kong and New York, unforeseen market circumstances, or other factors may delay the deposit of Class A ordinary shares in exchange for the ADSs or the withdrawal of Class A ordinary shares underlying the ADSs. Investors will be prevented from settling or effecting the sale of their securities during such periods of delay. In addition, we cannot assure you that any exchange for Class A ordinary shares into ADSs (and vice versa) will be completed in accordance with the timelines that investors may anticipate.

Furthermore, the depositary for the ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of Class A ordinary shares, cancelation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs, and annual service fees. As a result, shareholders who exchange Class A ordinary shares into ADSs, and vice versa, may not achieve the level of economic return the shareholders may anticipate.

We may be subject to securities litigation, which is expensive and could divert management attention.

Companies that have experienced volatility in the volume and market price of their shares have been subject to an increased incidence of securities class action litigation. We have been involved in such disputes in the past and have settled them. We may become the target of this type of litigation again in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, and, if adversely determined, could have a material adverse effect on our business, financial condition and results of operations.

Item 4. Information on the Company

A. History and Development of the Company

We commenced operations by setting up Beijing Huapin Borui Network Technology Co., Ltd., which we refer to as the VIE, in December 2013. Our holding company, KANZHUN LIMITED, was incorporated in January 2014 to facilitate offshore financing.

In February 2014, KANZHUN LIMITED established a wholly owned subsidiary in Hong Kong, Techfish Limited. In May 2014, Techfish Limited established a wholly owned subsidiary in mainland China, Beijing Glorywolf Co., Ltd. In May 2014, we entered into a series of contractual arrangements with the VIE and its sole shareholder then to direct the activities of the VIE. The contractual arrangements with the VIE were subsequently replaced and superseded by updated agreements mainly as a result of change in the VIE's shareholders from December 2014 through September 2022. In January 2024, the contractual arrangements were replaced by new contractual arrangements entered into among the VIE, its shareholders and another Techfish Limited's wholly owned subsidiary in mainland China, Beijing Highland Wolf Technology Co., Ltd., through which our interests in the VIE remain unchanged.

In July 2014, we launched our "BOSS Zhipin" app.

In June 2021, we listed our ADSs on the Nasdaq Global Select Market under the symbol "BZ."

In December 2022, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange under the stock code "2076."

Our principal executive offices are located at 21/F, GrandyVic Building, Taiyanggong Middle Road, Chaoyang District, Beijing 100020, People's Republic of China. Our telephone number at this address is + 86 10 8462 8340. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC on *www.sec.gov*. You can also find information on our website *https://ir.zhipin.com*. The information contained on our website or available through our website is not incorporated by reference into and should not be considered a part of this annual report.

B. Business Overview

We are the leading recruitment platform in China, reinventing how job seekers and enterprises connect and engage leveraging the power of techonology. Built on a mobile-native foundation, our platform harnesses the power of AI and big data to scale matching accuracy, hiring efficiency and engagement quality to new levels. As the go-to platform, for job seekers, we provide curated opportunities that open clear, equitable career pathways. For enterprises, we enable efficient, data-informed recruiting decisions with streamlined talent sourcing, faster time-to-fill and greater precision.

At the heart of our platform is a powerful engine that processes massive static and dynamic data of daily interactions, including candidate and job post views, chat initiation, mutual consent, interview feedback, etc., and transforms these fine-grained behavioral and structural signals into actionable insights on recruitment demand, talent mobility and preference. Our data intelligence is powered by a hybrid framework that combines two-way recommendations, deep learning algorithms, natural language processing and our proprietary Large Language Model Nanbeige. We are also exploring to leverage the application of AI to further optimize the candidate screening and communication process and reduce time-to-hire, advancing toward a results-driven recruitment ecosystem.

We serve a diverse user base, ranging from white and gold-collar professionals to blue-collar workers and college students across industries and regions. As of December 31, 2024, white and gold-collar users, blue-collar users, and college students comprised 48.3%, 34.8%, and 16.8% respectively, of our job seeker user base. Our platform is trusted by all 2024 Fortune China 500 companies and serves enterprises of all sizes, including small businesses, with 88.5% of our verified enterprise users employing fewer than 100 employees as of December 31, 2024. Our average MAU grew from 28.7 million in 2022 to 42.3 million in 2023, and further to 53.0 million in 2024. As of December 31, 2024, we had served 30.2 million verified enterprise users and 16.6 million enterprises, and 211.9 million verified job seekers. We recorded paid enterprise customers of 3.6 million in 2022, 5.2 million in 2023 and 6.1 million in 2024. In 2024, our average DAU as a percentage of average MAU reached 24.8%. In 2024, our platform generated an average of 6.0 billion chat messages every month.

Our Platform

We are a two-sided platform reshaping traditional recruitment into a data-powered, intelligence-driven experience built around four core innovations that drive engagement and deliver measurable impact throughout the process:

- ***From web portal to tailored mobile platform***. We were among the first to launch an online recruitment platform that is entirely based on a mobile application. The ideology of creating a mobile-native recruitment platform is the foundation for our innovative business model that enables intelligent recommendation and two-way interactive communication and underpins many aspects of our operation. Today, our platform has advanced to a highly tailored platform where both job seekers and recruiters can manage their unique user profile on their own terms and with greater clarity. The level of adaptation deepens user engagement, increases time spent on our platform and fosters more meaningful interactions responsive to real-world needs and behaviors.

- ***From keyword search to dynamic, multimodal recommendation***. Our intelligent recommendation system acts as a "career assistant" evolving with each interaction. Rather than relying on keyword-based matching, our system taps into multi-dimensional features such as career development stages, skill trajectory and interaction history, to deliver intent-driven, high-fidelity job and candidate matches. AI-curated job recommendations connect the right candidates to the right jobs with growing accuracy over time. Our platform adapts to shifting user intent, filters out noise and keeps both job seekers and enterprises closely aligned with evolving opportunities.

- ***From one-way application to rich, real-time communication***. Our direct-chat system enables job seekers and enterprise users to have real-time communication through text, voice and image, with features like read receipts and AI-facilitated quick-reply to reduce friction. Direct chatting ensures that our users are active with real demands for job opportunities or candidates, and users can confirm each other's intentions and their suitability before the interview, which makes their experience highly informative and efficient. Meanwhile, we are dedicated to protecting the job seekers' privacy. Enterprise users are not allowed to access job seekers' full resume or their contact information without job seekers' consent.

- ***From fragmented data to insightful workforce intelligence***. We translate vast volumes of raw interaction data into strategic insights across the recruitment and job-seeking chain. By analyzing how users engage and communicate, we build nuanced profiles that reflect both immediate intent and long-term potential. Our algorithms support ongoing talent development, candidate screening and workforce planning.

Our Platform Participants and Value Propositions

Job Seekers. Our platform attracts a diverse and rapidly expanding pool of job seekers, including white and gold-collar, blue-collar and college students. White and gold-collar job seekers are typically professionals and skilled workers pursuing office-based or managerial roles, with a strong focus on career growth, skill enhancement and leadership opportunities. Blue-collar job seekers, on the other hand, typically pursue roles in labor-intensive industries, where they value more about salary, welfare and proximity to work locations, represent an emerging segment. College students, often looking for entry-level roles or internships, with an eye on gaining experience and building career foundations.

We empower job seekers to stay ahead of labor market trends, sharpen their competitive edge and make informed decisions aligned with long-term career goals.

- ***Broad access to opportunity***. Job seekers instantly tap into a wide-ranging pool of roles across industries, allowing them to discover job positions that match their skills and aspirations.

- ***Tailored job recommendations***. We deliver targeted job suggestions to job seekers not only based on their skills, preferences and career trajectory, but also based on recruitment demand and market trends in order to match them with roles that align with their career goals and market needs. Our technology continuously refines these recommendations to increase the chances of connecting with the best opportunity available.

- ***Direct, intuitive access to employers***. We make it intuitive for job seekers to gain direct access to employer behind each job posting with simply click to initiate chat, saving them time and effort and ensuring their profiles are sent to the right employer with minimal effort or delay.

Enterprise Users. We serve a broad spectrum of enterprise users, ranging from small businesses to large corporations across various industries and geographic regions. This includes both Bosses (executives and middle-level managers from businesses of all sizes, as well as small business owners) who are the key decision-makers in hiring. These enterprise users often assess candidates not only for technical qualifications but also for cultural fit and soft skills. Our platform facilitates direct engagement between enterprise users and job seekers, enabling them to make more informed and efficient hiring decisions. As of December 31, 2024, 66.4% of our verified enterprise users are not professional recruiting personnel. Additionally, we support recruiting professionals such as HR officers, headhunters and hiring specialists who rely on our tools to streamline their hiring processes.

We empower enterprises to transform their recruitment into a more effective and efficient process.

- ***AI-facilitated candidate discovery***. Our intelligent recommendation system quickly connects enterprise users with candidates, continuously learning and adapting to improve the precision and quality of every match.

- ***Deeper talent reach***. Our platform gives enterprise users access to a vast network of potential candidates across various industries, areas with diverse skills, helping them find the ideal fit for their hiring needs.

- ***Accelerated talent connection***. We shorten the hiring cycle by providing services such as instant communication, which enable enterprise users to engage with candidates quickly and improve overall recruitment efficiency.

Dual-Flywheel Effect. Our platform accelerates growth through a self-reinforcing flywheel driven by the powerful interplay of user and data momentum.

- ***User momentum.*** The user flywheel is propelled by an exceptional user experience and a high density of opportunities. As more job seekers flock to our platform, enterprises seeking top talent follow, leading to an increase in quality job postings. A broader and more diverse job offerings, as well as enhanced user engagement, can in turn improve job seeker satisfaction and expand the talent pool.

- ***Data momentum.*** The data flywheel focuses on the continuous accumulation and utilization of valuable user data. Every interaction, no matter from job seekers refining their profiles or enterprises posting jobs and reviewing candidates, adds to our vast data ecosystem. This data feeds algorithms, which in turn enhances matching accuracy and recommendation precision. As more data flows through our platform, our technology becomes increasingly sophisticated, creating even more relevant and accurate job and candidate matches.

These network effects compound into a virtuous cycle: better data drives smarter algorithms, which improve user experience and attract more users to accelerate scale. Our differentiated approach to blue- and white-collar segments further strengthens platform dynamics: blue-collar users, with high-frequency job activity, help meet core labor demand, while white-collar users contribute higher-value interactions, creating cross-segment synergies that power overall platform growth.

Our Services

Our services are designed for improving job hunting and recruitment efficiency to elevate user experience.

For enterprise users. We provide direct recruitment services that allow enterprise users to post jobs, receive personalized candidate recommendations, engage in direct communication and receive resumes upon mutual consent. We also offer an expanding range of value-added tools to further enhance recruitment efficiency.

For job seekers. We provide job seeking services that allow job seekers to receive job recommendations, initiate direct chats and deliver resumes upon mutual consent. We also provide value-added tools that help them better prepare for their job hunt.

Our direct recruitment service includes below major functions:

Informative and interactive user page

To start the journey on our platform, job seekers are required to provide basic personal and professional information, to create a mini resume which can be viewed by interested enterprise users. Enterprise users can set up their own accounts, provide the background information of their company, their working experiences, and suggest why job seekers should consider joining the company on profiles. They can then post job openings and interact with job seekers on the platform.

Tailored and accurate recommendation serves full-spectrum of users

Our typical user experience begins from the main feed, where users scroll through the recommended job postings or candidate listings and other customized professional content displayed on our platform which offers similar browsing experiences as social media apps do. We leverage our proprietary algorithms and machine learning technologies to match and connect the right person with the right position through our curated job posting and candidate recommendations. We utilize large scale of data, apply machine learning technologies to build and refine our advanced proprietary algorithms that enable customized job recommendation for our users at a massive scale, which makes it possible for us to serve diverse user bases on one mobile app. As a result, we have achieved full user coverage of white-collar and gold-collar users, blue-collar users and college students, and have served a full spectrum of enterprise users, large and small, in numerous industries and from diverse geographical areas, developing a powerful network effect.

Direct communication facilitates user engagement

After reviewing job seeker's professional profiles, enterprise users can initiate direct conversations with job seekers to tell them more about their companies or a specific opportunity. Job seekers can also reach out to enterprise users to express their interests in a specific position through text and voice messages, emoticons and pictures. Our instant messaging function ensures that platform users are active with real job hunting or recruiting needs. It also offers convenience and flexibility to users, which is especially beneficial to Bosses and blue-collar workers who are unable to make a major time commitment for recruitment and job-hunting activities.

Resume delivery based on mutual consent

We firmly believe that recruiting is a two-way street and are committed to transforming the recruiting process by empowering job seekers and giving them more say.

Unlike the traditional model where enterprises can directly purchase access to job seekers' full resumes, enterprise users on our platforms can only see a job seeker's mini resume that contains limited information. Enterprise users are not allowed to access job seekers' full resume or their contact information without job seekers' express consent. Enterprise users are thus motivated to engage in meaningful conversations with job seekers to confirm mutual interest before inviting them to deliver resumes. This function also showcases our commitment to safeguard job seeker's information and protect their privacy.

Our tailored matching and connecting combined with the effective communication between job seekers and enterprise users guarantee an efficient job hunting and recruiting experience. This enables us to build a large and diverse user base and developed a powerful network effect.

Value-added services

We also offer value-added services to job seekers and enterprise users, focusing on precision, efficiency and help them better utilize our service and technology capabilities.

For job seekers, our platform provides a range of powerful tools to improve their job seeking experience, such as AI-powered resume polishing, increased resume exposure to enterprise users, candidate competitive analysis, AI-facilitated job searching and message filtering services. To further assist with job preparation, we offer simulated AI interviews, allowing job seekers to rehearse and refine their interview skills.

For enterprise users, we offer a combination of value-added tools that improve their recruitment efficiency. For example, our advanced filter allows enterprise users to filter through the list of job seekers we recommended through our proprietary matching system, AI-enhanced job descriptions make roles more appealing to potential applicants, AI assistant can help to increase the communication efficiency.

Our Other Mobile Applications

We provide online recruitment services through (i) our main mobile app BOSS Zhipin, where the full suite of our services is available, and (ii) Dianzhang Zhipin, which provides online recruitment services with a specialized industry focus.

Our Monetization Model

We provide recruitment and job hunting services to both enterprise users and job seekers and generate most of our revenue from paid services offered to enterprise users.

For enterprise users, we offer direct recruitment services that allow them to post jobs and communicate with job seekers, which can be free or paid based on an innovative connection-oriented monetization strategy, supplemented by paid value-added tools to further enhance their recruitment efficiency as part of our overall recruitment services to the enterprise users. For job seekers, we offer job seeking services to communicate with employers for free and paid value-added tools to help job seekers better prepare for their job hunt and assess their candidacy.

Our Technology Infrastructure and Applications

We have architected a vertically specialized infrastructure purpose-built to decode the complexity of two-sided recommendation and AI application. Grounded in deep research, platform-native behavioral and static datasets and adaptive models, our architecture is structured across three interlocking layers: foundation algorithms, data and scenario-based applications. This full-stack system is engineered to surface subtle, often hard-to-label hiring signals, structure them into actionable insights, deliver real-time recommendations at scale, and evolve continuously through placement and engagement feedback. By embedding context awareness and multi-objective optimization at every level, our technology infrastructure raises the ceiling on matching precision, user experience and hiring velocity across dynamic labor markets.

Algorithm Layer: Domain-Trained Models Purpose-Built for Hiring

Our algorithmic layer is designed to optimize not a single output, but a portfolio of competing goals encompassing long-term candidate satisfaction, recruiter speed-to-hire and platform engagement. We apply machine learning and deep learning to process, analyze and identify patterns in data and build models to analyze on job and candidate preferences of job seekers and enterprise users. This is especially useful considering the diverse, high-dimensional data we collect from our large and diverse user base.

We utilize our advanced model to enable fast iteration and upgrade of our algorithms and model. Currently, in the intelligent recommendation process, nearly 100% of BOSS Zhipin's traffic is processed by the deep learning algorithms. We utilize natural language processing in automatic computational processing of human languages, including identifying the semantic similarity of each sentence pair between job postings and the mini resumes.

In 2024, we launched the Nanbeige Model, our vertically trained Large Language Model built specifically for hiring use cases. Nanbeige powers core workflows across our platform, including search and recommendation, AI-facilitated communications and interviews.

Leveraging these advanced core technologies, we developed a more accurate portrait of each individual user and is able to understand user preferences to predict the likelihood of a successful job and candidate match indicated by the offering and acceptance of an interview invitation. This effectively addresses each individual's different job or recruitment needs and their inability to identify suitable job positions due to information asymmetry and inexperience in job switching activities.

Data Layer: Granular, Live and Role-Aware Insights

We have the capability to gather mass multidimensional data in granular details, which helps capture the unique traits of each job seeker and enterprise user. This is made possible through customized and accurate job/candidate recommendation based on a multitude of factors, including, for example, career development goals, occupation inclination, job position preferences of job seekers and the recruiting needs of enterprises.

We have a large, granular and fast-growing dataset containing multidimensional behavioral and static information of job seekers and enterprise users. Each job seeker has a mini resume containing their basic information, which matches the information contained in each job post. The information in each mini-resume and job post forms our static user information data base. We also capture how each user interacts with others and the content on its platform in granular detail, which contributes to valuable behavioral data insights. Our models process these behavioral data instantly and provide users with refined matching results. Our strength in data technology is also characterized by our multi-label classification of data. Our data analytics technology takes into account more than three hundred elements of user features, which are growing over time and continue to optimize the algorithm model. For a single algorithm model, the more elements of data are collected and labeled, the more features that are included in the algorithm's "decision-making" process, and the more efficiently and effectively the matching results can be delivered.

Application Layer: Embedded Intelligence Across the Hiring Funnel

Successful applications of our strong theoretical foundation and advanced technologies ensure accurate job and candidate matchings that are tailored to each individual's preferences and account for bilateral compatibilities and suitability within user groups.

We apply advanced algorithms to the recommendation system to reflect our key strategies – (i) two-sided matching strategy: our recommendation algorithms considers not only the best recommendation to an individual, but also bilateral compatibilities and the suitability of the match within the user group, which result in a fairer distribution of the platform's traffic; and (ii) personalized recommendation strategy: we make customized recommendations for users of different user groups, taking into account multiple factors, including the stages of career development, potential suitable positions not thought of by the job seeker but would match his/her skill set and the job seeker's future career development opportunities. For example, we offer job recommendations to job seekers not only limited to positions based on their past employment history but also potential opportunities they may consider for their career development.

Our team

Our technology capabilities are a unique advantage and critical to our business operations. As of December 31, 2024, we had a team of 1,331 research and development personnel dedicated to technology, data and related functions. Our research and development team is fully involved in all critical operational areas, with an in-depth understanding of our users' needs.

Service innovation and excellence lie at the heart of our business. We also gather creative ideas from all of our teams, including service development team, sales team and big data and algorithm team who best understand user behavior and demand. Our massive user base and efficient product iteration process ensure our effective exploration of new possibilities and drive constant development of our services.

Sales and Marketing

We empower our sales team with our proprietary customer relationship management, or CRM, system by helping them find employers with demand and willingness to engage in bulk purchase or pay for more tailored services, which facilitates our sales team to reach out with these employers. This allows us to channel our data-driven insights into the sales process and drive conversion. We also leverage advanced AI capabilities to increase efficiency and streamline operations.

We pay to acquire user traffic from online third-party channels, mainly including app stores, search engines, info feeds and social networking platforms. We also benefit from organic traffic through word-of-mouth and brand recognition. We believe brand recognition is critical to our ability to continue to attract new users. To promote our brand image, we have launched various marketing initiatives, including outdoor advertising, TV advertising, video advertising, and marketing campaigns in major national and international events.

Vigorous User Verification & AI Powered Risk Assessment

We have implemented "platform user safety protection" program, which focuses on protecting our users' interests. We emphasize the importance of ensuring the information presented on our platform is verified and authentic. We use a screening and monitoring system to examine and verify the authenticity of the job postings and leverage our advanced technology to detect and respond to threats and frauds incessantly. Our screening and monitoring system consists of user onboarding verification, continuous risk monitoring supported by our proprietary suite of risk identification models and offline risk assessment. Additionally, we adopt a comprehensive suite of procedures to verify the identity of job seekers. Authentic enterprises, enterprise users and job postings facilitate information transparency, enhance our service quality, cultivate trust inside our platform and strengthen our user stickiness.

Enterprise users' risk assessment

We implement a rigorous screening process to examine and verify the enterprise users' identification information. To register an account with us, enterprise users are required to provide identification information and complete real name authentication and identify themselves with an enterprise. For enterprise users of a company that first joins our platform, we verify the identity and assess the risk of both the enterprise and the enterprise users. We require the company to go through a set of verification procedures during their onboarding process, including the uploading of the company's business license and certificates of employment, which include, for example, business email, business address of the enterprise, and business address of the enterprise users to verify the relationship between the enterprise and the enterprise users. We also customize enterprise users' registration policy based on our risk pre-determination mechanism. We require enterprises in high-risk industries, identified by the number of user complaints received or the number of misconducts within the industry, to provide additional materials, to go through additional steps to complete the verification process when such enterprise first joins our platform. For example, we require them to provide additional materials, including industry service licenses, video of their office environment or conduct an in-person meeting with our offline risk assessment team.

For enterprise users that identify themselves as employees of enterprises that have already been verified by us, we generally require the enterprise user to go through the same onboarding procedure. For enterprises with a large number of users, we also designate specific personnel within the enterprise to help us verify the identity information of new enterprise users that identify themselves as employees of the enterprise. Such enterprise users are generally not required to go through additional verification procedures designed for enterprises in high-risk industries as such verification process has already been completed when the company first joins our platform. We also constantly monitor enterprises who have been denied access to our platform to prevent them from potential future misconduct.

We leverage our advanced feature engineering, machine learning and decision engine to process user data and respond to threats and frauds. Relying on our advanced algorithms, we have built a proprietary suite of models to detect enterprise users' misconduct and identify and continuously track high-risk job positions and employers. Our proprietary suite of risk identification models factor in multidimensional user information, including static and behavioral data gathered by our risk mining algorithms. Static data gathered includes business scope of an enterprise, its industry qualifications, registered address, records of illegal or unfaithful conduct, whether the enterprise is in good standing and other enterprise specific information. Behavioral data gathered includes user complaints and feedback and enterprise users' engagement behavior with our platform and other users, such as the number of mini resume viewed and chat messages sent by an enterprise user in a given period. Our risk mining algorithms process a wide spectrum of data features of enterprise users to assess and weigh individual factors about the trustworthiness of enterprise users. We track high risk behaviors such as false advertising, pyramid selling and private information extortion. We also take job seeker complaints into our data-driven risk assessment process. Job seekers play an important role in our comprehensive risk assessment network through reporting suspicious activities or false information in the company's description or job postings. After we identify inappropriate behavior conducted by enterprise users whom we deem to pose high risks to our platform, we assign our offline team to conduct manual risk assessment. For example, we visit enterprises that are reported by users for providing fraudulent information and enterprises that we identify as of higher risks based on videos of their office environment.

Our dedicated offline risk assessment team visit employers in person to make sure the information presented on our platform is authentic and up-to-date. In particular, they verify the consistency of the employers' business locations and enterprise users' work locations. Our algorithms powered risk assessment system together with our offline verification efforts are necessary to manage the complexity of analysis at the scale and speed that is needed in light of our massive user base and the changing fraud landscape. We established the industry's first integrated online and offline employer information verification system that adopts a combination of intelligent screening and security verification and on-site visit to verify enterprise information. The vigorous screening enables the provision of reliable job and employer information and addresses the misinformation that is prevalent in the online recruitment market, especially for blue-collar recruitment. After we discover misconduct of enterprise users, regardless of whether it took place on or outside of our platform, or identify false information, we take corresponding actions to address the issues identified, such as banning, blocking user accounts, requiring enterprises to provide additional verification materials, or prohibiting the information of the company and its enterprise users from being accessed by job seekers. For enterprise users suspected of serious misconduct or criminal activities, we report the case to local police department for further investigation. Our streamlined authentication process and ongoing risk assessment system foster a trustworthy and credible user platform. Before each onsite visit, we comprehensively assess the risk of the target company to ensure efficient offline verification of identified issues, which enabled us to achieve high verification and risk assessment efficiency.

Job seekers' risk assessment

Job seekers are first required to complete our mobile phone verification process which requires users to register with their mobile phone numbers and provide the verification code we message to their phones for verification purpose. Our intelligence system detects suspicious user inputs that may undermine the integrity of our platform and will require those users to go through additional authentication procedures. For example, job seekers providing mobile numbers that are recorded in the phone number blacklist or using advertising language in their descriptions would be detected by our fraud prevention technology.

Data Privacy and Security

Data security is crucial to our business operations as it is the foundation of our competitive advantages. We have internal rules and policies that govern how we may collect and process data, as well as protocols, technologies and systems in place to ensure that data will not be accessed or disclosed improperly.

Data collection

For user information, our user privacy policies clearly describe our data collection, use, share and process practices and how users can exercise their rights in activities relating to the process of personal information. In particular, we provide users with prior notice and obtain their consent as to what data is being collected and undertake to manage and use the data collected in accordance with applicable laws before they use our services. Users can also change their privacy settings to change the scope of their information that we are able to access and use.

The types of user data we collect, store and use generally include: (i) user's basic information, such as mobile phone number, profile photo, name, gender, work experience related information; (ii) user's identity information (most of them are enterprise users), such as ID number; (iii) user's process information, such as search history; and (iv) device feature information, such as unique mobile device identifier. The scope of usage is consistent with that being disclosed in privacy policies and does not exceed the scope authorized by users. The data is collected and used mainly for the purposes of user registration, identity authentication, online recruitment, personalized recommendation, content publishing, and user safety.

Data storage and information management

We back-up our user data and other forms of data on a daily basis in secured remote data back-up systems located in mainland China. We also conduct frequent reviews of our back-up systems to ensure that they function properly and are well maintained. We regularly conduct system-wise vulnerability scanning and prompt repairing to continually improve our data security measures. Our security system is capable of handling malicious attacks to safeguard the security of our platform and to protect the privacy of our users. We have also started using proprietary private cloud located in mainland China and maintained in-house to reduce the reliance on third-party cloud infrastructure provider, which allows us to better safeguard user data and address regulatory and compliance concerns.

To ensure the confidentiality and integrity of our data, we maintain a comprehensive and rigorous data security program. We de-identify and encrypt sensitive personal information and take other technological measures to ensure the secure storage, processing, transmission and usage of data. Specifically, we store business data in separate repositories and have detailed logical isolation and network policy segregation for business servers. Sensitive personal information is stored in encrypted form and sensitive information is de-identified and encrypted irreversibly before processing. To ensure the security of data transmission, we have adopted reasonable and feasible security measures in line with market standards to protect user information from unauthorized access, public disclosure, use, modification, damage or loss. For example, the exchange of data between the browser and the server is protected by SSL protocol encryption. We also provide HTTPS protocol for secure browsing on BOSS Zhipin website and for the transmission of sensitive information. In addition, we use trusted protection mechanism to prevent malicious attacks on user's personal information. We have also formulated data destruction strategy and policy to standardize our data destruction procedures and adopted differentiated data deletion measures for different levels of data. We respond immediately once user submits account cancellation request, the cancelation process shall be completed within 15 days if the cancellation requirements are met. Our deletion of data is automatically executed by system scripts, and we keep log records of the deletion operation. We store user personal information for the minimum amount of time necessary to process such data and delete user personal information or anonymize them in a timely manner after the purpose of processing such data has been achieved or as otherwise provided by laws and regulations.

We have also established a standardized information management system. Our information security committee is a cross-disciplinary group comprised of personnel from multiple departments responsible for devising information security strategies and decision making regarding major information security issues. Our information security committee analyses industry trends, designs privacy protection protocols, conducts privacy trainings, assists in the formulation of feasible compliance work assessments and provides risk control suggestions. We have also set up a data security team that works closely with other departments to jointly establish and enforce procedures regarding the management of data security, including security with respect to data collection, storage and processing. Our compliance and legal teams will follow up with legal and regulatory updates to generate documented analysis for implementation of remedial measures with reference to compliance requirements.

Data access and sharing

All of our personnel are required to strictly follow our detailed internal rules, policies and protocols to ensure the privacy of our data. Our employees are granted access to the minimum extent that is necessary to fulfill their job responsibilities and within strictly defined and layered access authority, and are required to go through strict authorization and authentication procedures and policies before operating. At application level, we use privacy components to set up different approval processes based on data classification. Our online database is accessible only by database administrator with temporary password. R&D personnel are generally not permitted to access the database, if access is required on as-need basis, strict multi-level approval must be obtained. User personal information in the big data platform is desensitized and irreversibly encrypted. Even with authorized access, virtual desktops must be used to prevent from direct downloading of data to local devices. We also maintain data access logs and conduct automated assessment and routine manual verification. In addition, we conduct routine internal audit regarding the authority to access user data in order to ensure our authorizations are strictly followed. We provide regular trainings to our staff on internal policies and procedures for data security, on software technical skills to prevent data leakage, on cybersecurity and data protection related laws and regulations, and on other aspects that are relevant to their day-to-day work.

We do not share our user data with third parties, except for the limited purposes and under the following circumstances set forth in our strict privacy policies: (i) data sharing with affiliated platforms to facilitate user login and account management, and prevent fraud and minimize security risks; and (ii) data sharing with suppliers and business partners that provide certain services such as technical support, which are necessary for us to provide services to our users. Pursuant to our policies, we only grant authorization to third-party business partners to access our user data for legitimate, necessary, specific and clearly defined purposes, and we inform our users of the purpose, use and scope of data sharing. We inform our users of the purpose, use and scope of data sharing and obtain users' explicit consent before such sharing user data. We exercise great care and prudence in evaluating the purpose and scope of data sharing authorizations, and secure legal undertakings from authorized business partners under confidentiality agreements that require them to comply with the authorized purposes, scopes and security measures in handling our user data. We have adopted internal policies for our collaboration with and management of our suppliers and partners. We carry out security audits on network security products and services suppliers, enter into security agreements with them, and require them to comply with applicable data security obligations. For cooperation with third parties involving data transfer, we enter into data processing agreement to specify the rights and obligations of each party.

Data breach and security incident management

We have established a comprehensive system to prevent and detect potential data breach risk, cyber threats, and other system vulnerabilities. We have adopted targeted, professional level security measures in different scenarios, such as network security, host security, application security, and data management, in response to different security risks. The network security protection measures include anti-DDOS attack platform, application firewall system, and threat intelligence analysis system. The host security protection measures include host security scanning, host security protection system, and anti-virus system. The application security protection measures include component scanning system, vulnerability scanning system, and code white box audit system. The data security protection measures include data classification and grading system, data leakage prevention system, and webpage watermarking. We have set up dedicated post for detecting data theft and leakage, which will be continuingly tested, followed up and rectified by dedicated security personnel. We use scanning tools to identify data or network defects/vulnerabilities on as-need basis and the defects/vulnerabilities identified will be followed up by dedicated personnel.

For security incident management, emergency response plan and emergency drills, we have put in place security incident management procedures and response processes (emergency plan), which are improved each year to ensure day-to-day information security management and maintenance. We have developed contingency plans and response mechanisms to have different types and levels of security properly addressed within each stage from discovery, handling, closure, post-event tracking, investigation, correction, to evidence collection. We have established an emergency response team, and the handling of security incident will be documented and archived by the technology security center. We conduct major emergency drill once a year and the technical perform drills from time to time.

Security testing and assessment

Our business systems have received and maintained valid IT and safety certificates. In 2024, BOSS Zhipin and Dianzhang Zhipin have passed Level III Certification for classified protection of cybersecurity and have completed information system security protection assessment. We also renewed the "Personal Information Protection Certification" from the China Cybersecurity Review, Certification and Market Regulation Big Data Center ("CCRC") and the "Data Security Management Capability Certification" from TL Certification Center of the China Academy of Information and Communications Technology ("CAICT"). We have engaged a number of third-party security service providers to conduct security evaluation of our security systems, apps, and IT architecture, and cooperated with third-party testing and evaluation service providers to resolve issues identified.

In addition to third-party testing and assessments, we also conduct self-inspections and data security self-assessments. Since 2021 we have conducted annual data security assessment, and performed personal information security impact assessment. We use proprietary scanning tools, including component and vulnerability scanning systems, to generate data security assessment reports on a regular basis. Issues identified in the reports are closely analyzed and dealt with by our data security team.

Seasonality

Our quarterly operating results fluctuate due to seasonal patterns in recruitment demand and macroeconomic and labor market conditions. For example, traditionally, in the first quarters, recruitment activities generally slow down before the Chinese New Year. Our quarterly sales and marketing expenses are also generally the highest in the first quarter of every year as we increase our sales and branding activities during the Chinese New Year season. However, we have observed growing variability in these patterns as broader economic factors increasingly influence hiring cycles. Overall, the historical seasonality of our business has been relatively mild, but the seasonal trends that we have experienced in the past may not be indicative of our future operating results. See also "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our results of operations are subject to fluctuations due to seasonality."

Intellectual Properties

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property critical to our success. As of December 31, 2024, we owned 351 patents including 158 inventive patents, 251 copyrights including 201 software programs, and 39 registered domain names in mainland China relating to various aspects of our operations and maintained approximately 1,128 trademark registrations in mainland China and 21 trademark registrations outside mainland China.

We seek to protect our technology and intellectual property rights through a combination of patent, copyright and trademark laws, as well as license agreements and other contractual protections. In addition, we enter into confidentiality and non-disclosure agreements with our employees, which provide that all patents, software, inventions, developments, works of authorship and trade secrets created in connection to and during the course of their employment are our property.

Competition

As a leading player in the online recruitment industry, we face competition from providers of similar services. Other online recruitment platforms compete directly with us for users, including both job seekers and enterprise users. We compete to attract, engage and retain users, to provide more accurate job and candidate matching and to improve and expand our product and service offerings in general. Our competitors may compete with us in a variety of ways, including by leveraging a large user base to engage more job seekers or enterprise users, investing in technologies to improve job and candidate matching efficiencies, conducting brand promotions and other marketing activities, and making acquisitions.

We believe that we can compete effectively with our competitors on the basis of our large and active user base, extensive high quality user data, advanced technology capability, high-quality user experience, ability to enhance efficiency and user satisfaction, as well as our brand recognition. For a discussion of risks relating to competition, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We face significant competition in China's dynamic online recruitment service market, and potential market entries by established players from other industries may make competition even more fierce. Our market share, financial condition and results of operations may be materially and adversely affected if we are unable to compete effectively."

Our Environment, Social and Governance (ESG) Initiatives

Our focus on corporate social responsibilities, environmental awareness, long-term sustainable development, and ethical conduct is core to our values. We believe our continued growth depends on our integration of ESG values into our corporate strategies and operations.

In April 2025, we released our 2024 ESG report, detailing our ESG achievements in 2024 and progress toward our longstanding ESG goals and commitments. The report provides additional transparency to our stakeholders, as well as details on our sustainability practices, social responsibility and corporate governance framework. Through the information disclosed in the report, we underscored our core strategies, including standardize corporate governance, product and service optimization, develop together with employees, practice green development, build a sustainable supply chain and deliver community care, which are the foundation of our ESG commitments. The information contained in our 2024 ESG report is not incorporated by reference into and should not be considered a part of this annual report.

Environmental and Social Initiatives

We are committed to bringing about positive changes to society, and we believe our long-standing commitment to social responsibility strengthens our brand reputation.

As a leading recruitment platform, we are dedicated to assisting disadvantaged groups with inclusive and tailored job seeking and recruiting services. Leveraging what we are best at, we have mainly centered our efforts in the recruitment industry:

- Since April 2022, we have collaborated with the Employment Service Guidance Center of the China Disabled Persons' Federation to launch the "Accessible Job Search Assistance Program for People with Disabilities", while continuously conducting the "Firefly Plan for Helping Persons with Disabilities" livestream recruitment initiative to provide employment support. Concurrently, we have introduced a series of accessibility features and algorithm optimizations to facilitate smoother job-seeking experiences for individuals with disabilities. In 2024, the partnership was renewed through the "Firefly Plan for Helping Persons with Disabilities - Uniting Efforts to Promote Employment, Warm Winter Jobs Benefit People's Livelihood" national online recruitment campaign. This initiative attracted participation from 97 enterprises, offering hundreds of job opportunities across 40 Chinese cities. As of December 2024, we cumulatively served 1.137 million individuals with disabilities through job search assistance and hosted over 100 specialized livestream recruitment sessions under the "Firefly Plan" series.

- In response to the challenges faced by individuals with disabilities during their job search, such as limited job opportunities, limited channels, and information asymmetry, we have established a dedicated disability-friendly section on both the BOSS Zhipin App and on our WeChat mini program. Within this section, the job filtering criteria not only include factors such as city, disability type, education, salary, and experience, but also feature 20 special sections for emerging industries, aiming to create a fair employment environment.

- To assist fresh graduates in overcoming employment challenges and transitioning smoothly from campus to the workplace, we have developed a series of targeted employment services and guidance tailored to the unique needs of the youth. For instance, during the 2024 spring recruitment season, the BOSS Zhipin job-seeking live stream program "BOSS Zhipin Good Offers on Thursdays" launched the "Citywork - A Guide for Urban Workers" live recruitment events. With four special sessions in Beijing, Shanghai, Guangzhou, and Shenzhen, the program offered high-quality job opportunities for fresh graduates in these cities. The event attracted a total of 1,929 companies and over 20,000 fresh graduates, covering 3,184 job positions.

- During the 2024 autumn recruitment season, BOSS Zhipin launched the "Soaring Autumn Recruitment Season" campus live streaming job fair. During the event, daily updates on campus recruitment jobs were provided, along with schedule planning advice. The event also featured live sessions for multiple regions such as Beijing-Tianjin-Hebei and Jiangsu-Zhejiang-Shanghai, as well as various industries including internet and new energy. In addition, nearly 300 campus recruitment special sections were set up for state-owned enterprises, foreign enterprises and other categories. Over 300 live employment guidance sessions were conducted in total, with a total of 2.732 million views. The event attracted 16,000 enterprises and 137,100 students to participate and covering 27,000 job positions. Furthermore, the platform introduced a new "Career Self-Exploration" section to help graduates accurately match positions.

Our efforts to empower local communities go beyond the recruitment industry.

- In July 2024, we launched the "Aspiration Journey: Youth Public Welfare Career Experience Camp" campaign. We invested RMB1.53 million for 180 teachers and students from 7 township-level middle schools in 4 counties of Shanxi and Ningxia provinces, sponsoring their 10-day career experience trip to Shanghai. Revolving around "Career Enlightenment," "Dreams Driven by Science and Technology," "Innovation Experience" and other themes, the camp led students to visit more than 10 enterprises including Jiangnan Shipyard (Group) Co., Ltd. and NIO Inc. During the course, students learnt about the manufacturing process of large-scale high-end equipment, thus embracing the charm of scientific and technological innovation. Meanwhile, we organized trips to 6 prestigious universities and colleges such as Fudan University and Tongji University, as well as 17 key laboratories, to broaden students' academic horizons. We also arranged campus cultural tours and city sightseeing to enrich their humanities and urban culture experience.

- In 2024, we provided warm assistance during traditional festivals, sending "public welfare gift packages" of high-quality agricultural and sideline products to 2,000 families in need. Especially, we paid visits to centenarians and other senior individuals, delivering festive greetings and care packages. All the supplies were directly purchased from Zhashui of Shaanxi Province, Lancang of Yunnan Province and other key rural revitalization counties. The practice aimed to advance rural industrial development and increase farmers' income through consumption support. In this way, we realized close connection and common progress of the community and the countryside.

- In April 2024, the "Forestsong Bookstore" sponsored by us organized a special event for World Book Day, inviting renowned cultural figures to talk about the value of reading and literature creation. Participating in the used book market at universities, the bookstore exhibited a wide range of classic books and attracted more than 1,000 students and teachers. In addition, the bookstore made donations to relevant institutions in support of campus cultural building.

We deeply value ecological preservation.

- We established a public welfare organization "Zhizhi Charity," which focuses on carrying out public welfare projects in ecological and environmental protection fields, to protect the harmonious development of humans and nature. This year, the ecological preservation public activities carried out by us had 260 million views and more than 5.7 million interactions. The short films themed on public welfare attracted more than 5.3 million online views.

- In 2024, we worked with the Sanjiangyuan Ecological Protection Foundation and the Sanjiangyuan National Park Hoh Xil Management Office to promote the "Ranger Guardian Campaign." In August, we started the public welfare advocacy and scientific rescue action titled "Nature's Children Deserve Nourishment". We made targeted donations of supplies to the Hoh Xil Rescue Station for fence repair and antelope feeding, and also placed posters titled "Do Not Feed Wild Animals" to raise public awareness of wildlife protection. In November, we launched the activity of "Warm Winter for Guardians in the Wilderness" to donate winter clothes and patrol vehicles. Meanwhile, we held a public welfare exhibition of Humans in the Wilderness in Beijing and publicized the exhibition online and offline. Related topics had more than 50 million online views and related videos had 1.6 million plays.

Green Operation

We measured our greenhouse gas ("GHG") emissions using the GHG Protocol a Corporate Accounting and Reporting Standard developed by the World Resources Institute and the World Business Council for Sustainable Development.

Set forth below is a summary of key metrics we established to evaluate and guide our sustainable business operations.

	For the Year Ended December 31, 2024[7]
Total GHG emission [1][2] (Scopes 1 and 2) (Tons of CO_2e)	2,801.80
GHG emission intensity[1][2] (Scopes 1 and 2) (Tons of CO_2e/person)	0.55
Total energy consumption[3] (MWh)	5,161.96
Energy consumption intensity[3] (MWh/person)	1.01
Total water consumption[4] (m^3)	97,273.35
Water consumption intensity[4] (m^3 /person)	18.99
Hazardous waste generated intensity[5] (Tons/person)	0.000036
Non-hazardous waste generated intensity[6] (Tons/person)	0.12

Notes:

(1) Due to the nature of the business, our material air emissions are GHG emissions arising from purchased electricity. The carbon footprint mainly includes leased offices that operate in China's mainland.

(2) GHG inventory mainly includes carbon dioxide. GHG emissions data during the reporting year is presented in carbon dioxide equivalent. The GHG calculation methodology is based upon the 2022 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecological Environment of the People's Republic of China and National Bureau of statistics of China.

(3) Total energy consumption is calculated based upon the data of purchased electricity.

(4) Water supply mainly comes from the municipal water supply, and there is no issue in sourcing water. The water consumption is calculated based on the coefficients in the 2023 China Water Resources Bulletin published by the Ministry of Water Resources of the People's Republic of China.

(5) Hazardous waste produced by office buildings mainly includes waste toner cartridges and waste ink cartridges from our printers.

(6) Non-hazardous waste produced by office buildings mainly includes domestic and electronic waste.

(7) Due to the nature of our business, data regarding packaging materials does not apply to us. Our current environmental performance metrics exclude data from subsidiary acquired in 2024 since it gained environmental data measurement capabilities only post-acquisition and integration.

Strengthening Environmental Management

We abide by environmental protection-related laws and regulations and we are committed to protecting the environment and natural resources in our operational area. We have developed an environmental management philosophy that encompasses our operations, employees, users, and partners, working with our stakeholders to jointly enhance the protection of the environment and efficient use of natural resources. In line with our environmental philosophy, we regularly assess the impact of our operations on the environment and natural resources, set environmental goals, and evaluate the achievement of these goals on an annual basis.

Promoting Green Offices

We are committed to embedding the concept of environmental protection in every aspect of our daily operations, and continually improving the standards and depth of environmental management by establishing systematic management and regular supervision mechanisms. We actively practice the concept of green and low-carbon operations, and Beijing Huapin Borui Network Technology Co., Ltd. passed the ISO 14001 environmental management system annual audit again in 2024.

Energy Efficiency Improvement

We are dedicated to using energy responsibly. We continually improve electricity consumption management in our office buildings and strive for better energy efficiency. To achieve this, we have established a system to audit workplace electricity usage on a monthly and quarterly basis. This allows us to identify any abnormal electricity consumption and analyze our consumption patterns to identify potential areas where we can save energy. We use a variety of methods, including behavior management and equipment optimization, to minimize unnecessary energy waste.

Waste Management

We reduce waste (i.e., both hazardous and non-hazardous waste) at the source by implementing online office software and recycling office equipment. We also actively carry out waste classification and recycling, avoid harmful waste pollution to the environment, and realize resource recycling. We also purchase office paper certified by Forest Stewardship Council to support sustainable forest construction and conservation efforts.

Water Resource Management

As part of our environmental commitment to water conservation, in 2024, we installed water-saving sanitary appliances and accessories in more office areas and continued to increase the proportion of water-saving sanitary ware with sensor-type water discharge. We also attach great importance to the daily management and maintenance of water equipment and conduct regular inspections to detect any water leakages. If any issues are found, we promptly report them to the property management and carry out necessary repairs to reduce unnecessary water waste.

Building a Sustainable Supply Chain

We conduct thorough assessments of our suppliers to evaluate environmental and social risks concerning supplier engagement, evaluation, maintenance, and withdrawal. Our procurement practices prioritize the selection of environmentally friendly and sustainable products. Collaborating with partners, we explore eco-friendly business models to cultivate a responsible and enduring supply chain.

Employee Care

We care about our team members and support them at work and beyond. We are continually creating an open, equal, inclusive and healthy work environment where everyone is able to thrive with a rewarding career path.

Diversity and inclusion

We foster inclusion and equality among employees from all backgrounds. We believe that fairness and diversity, are important to us in thriving in the business environment. For instance, we offer leave benefits and special allowances for working mothers such as prenatal check-up leave, maternity leave, breastfeeding leave, and parental leave. We respect the religious beliefs and cultures of employees from ethnic minority groups and provide them with religious holiday leave.

Employee physical and mental health

We are committed to creating a comfortable working environment, and promoting a positive, healthy, and happy lifestyle. We have established a nationwide network of gyms as People Health Care Center (PHCC), which offers employees tailored health management courses including personal training, group class training, physiotherapy and rehabilitation. We have established our Psychological Service Care Center (PSCC), which offers high-quality psychosomatic health services to all employees, including individual counseling sessions, management consultancy, customized departmental programs, leadership development courses, experiential group counseling activities, and specialized thematic events.

Supporting employee career development

We continue to improve the training management mechanism and have constructed a talent training system that integrates the "curriculum system", "internal trainer system", "learning platform", and "platform operation". This helps improve the quality of online and offline learning resources, forming a tiered training system that progresses from basic skills acquisition to advanced expertise mastery. We support employees to improve their professional skills and competitiveness, achieving common growth of employees and our company.

Insurance

We believe we maintain insurance policies covering risks in line with industry standards. We do not maintain property insurance or business interruption insurance. We also do not maintain insurance policies covering damages to our network infrastructures or information technology systems. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material and adverse effect on our results of operations. See "Item 3. Key Information —D. Risk Factors—Risks Relating to Our Business and Industry—We may not have sufficient insurance to cover our business risks, so that any uninsured occurrence of business disruption may result in substantial costs to us and the diversion of our resources, which could have an adverse effect on our results of operations and financial condition."

Regulation

This section sets forth a summary of the most significant rules and regulations that affect our business activities in mainland China or the rights of our shareholders to receive dividends and other distributions from us.

Regulations Relating to Talent Intermediary Services

The Employment Promotion Law of the PRC promulgated by the Standing Committee of the National People's Congress on August 30, 2007 and last amended on April 24, 2015 stipulates that employment intermediary agencies shall register and seek approval from the competent labor administrative department after their incorporation. Any entity that has not obtained a license and registered in accordance with the law shall be prohibited from engaging in employment intermediary activities. No employment agency shall provide false employment information or provide recruitment services to any institution that is not legally incorporated or licensed (if applicable). Any unlicensed and unregistered institution that, in violation of the provisions aforementioned, engages in unauthorized employment intermediary services, may be subject to the closure of business. Any illegal gains shall be confiscated and a fine from RMB10,000 to RMB50,000 may be imposed.

Talent intermediary services agencies including us in mainland China are mainly regulated by the Ministry of Human Resources and Social Security of the PRC, or the MOHRSS. Pursuant to the Provisions on Talent Market Administration, jointly promulgated by the PRC Ministry of Personnel (one of the predecessors to the MOHRSS) and the State Administration of Industry and Commerce (currently known as the SAMR), on September 11, 2001 and last amended on December 31, 2019, any entity providing talent intermediary services in mainland China must obtain a human resource services license from the local branch of the MOHRSS. In addition, this regulation also reiterates the requirements under the Employment Promotion Law of the PRC that as a talent intermediary service agency, we are prohibited from providing fake information, making false promises and publishing fake recruitment advertisement.

On June 29, 2018, the State Council issued the Interim Regulations for the Human Resources Market, effective on October 1, 2018, according to which, the human resources or HR services providers include public HR services providers established by the PRC governmental authorities and commercial HR services providers. Commercial HR services providers engaging in employment agency activities are required to obtain a human resource services license, when such HR services are provided through the Internet, laws and regulations relating to network security and the management of Internet information services shall also be complied. For any commercial HR services providers engaging in the services such as collection and release of HR supply and demand information, HR management consulting, HR assessment, or HR training, it shall file with the competent department of the MOHRSS within 15 days of the date it starts the operation. The HR services providers providing recruitment or other HR services as entrusted by an employer shall not resort to fraud, violence, coercion or other improper means, shall not seek improper interests in the name of recruitment or introduce entities or individuals to engage in illegal activities. Commercial HR services providers shall expressly specify certain matters, among others, including the business license, charging standards, and human resource services licenses in their premises, which are subject to the supervision and inspection by the PRC governmental authorities such as the SAMR.

The MOHRSS promulgated the Administrative Regulations on Online Recruitment Services on December 18, 2020, which came into effect on March 1, 2021. These regulations reiterate the requirement that commercial HR services providers engaging in online recruitment services shall obtain a human resource service license with the service scope of "providing online recruitment services," in addition, those involved in the telecommunications services shall also obtain the telecommunication business operating license required by law.

According to the Administrative Regulations on Online Recruitment Services, a HR service agency engaging in online recruitment services shall establish a complete online recruitment information management system and review the authenticity and legality of the materials and documents provided by employers in accordance with the PRC laws, including (i) recruitment brochures of the employer; (ii) the business license of the employer or the approval document for its establishment issued by the authorities; and (iii) the identity certificate of the person handling the release of recruitment information and the power of attorney of the employer. If the HR service agency fails to fulfill the above review obligations, it may be ordered to make rectifications and the failure to do so will subject it to an administrative penalty of (i) less than RMB10,000, if there are no illegal gains, or (ii) a fine of more than RMB10,000 but less than RMB30,000 and the confiscation of any illegal gains. As of the date of this annual report, we have not been subject to any administrative penalties imposed by the government authorities in relation to fraudulent recruitment.

The MOHRSS promulgated the Administrative Regulations on Human Resources Service Agencies on June 29, 2023, which came into effect on August 1, 2023, according to which, the commercial HR service agency engaging in employment agency activities shall obtain a human resource services license. The commercial HR service agency engaging in online recruitment services shall also obtain a telecommunications operation permit pursuant to the law. "Employment agency activities" refers to the intermediary services provided for employers to recruit persons and workers to seek employment, including recommending workers to employers, introducing employers to workers, organizing job fairs, carrying out online recruitment services, conducting senior talent search (headhunting) services and other commercial activities. For any commercial HR service agencies engaged in collection and release of HR supply and demand information, employment and entrepreneurship guidance, HR management consulting, HR assessment, HR training, HR service outsourcing and other HR service businesses, it shall file with the competent department of the MOHRSS within 15 days of commencing business. Commercial HR service agencies engaging in labor dispatch and overseas labor cooperation shall comply with the relevant provisions of the labor dispatch and overseas labor cooperation. Any unlicensed and unregistered institution that, in violation of the provisions aforementioned, engages in unauthorized employment intermediary services, may be subject to the closure of business. Any illegal gains shall be confiscated and a fine from RMB10,000 to RMB50,000 may be imposed. Any commercial HR service agency providing HR services without completing filing formalities shall be ordered by the HR and social security administrative authorities to make correction. Where correction is not made, a fine ranging from RMB5,000 to RMB10,000 shall be imposed.

On August 23, 2024, the MOHRSS and the Office of the Central Cyberspace Affairs Commission jointly issued the Notice on Further Strengthening the Standardized Administration of the Human Resources Market, aiming to strengthen the supervision of the HR market, regulate HR market activities, and protect the legitimate rights and interests of workers and employers. The main contents of such Notice include: strengthening HR market access administration, strictly regulating online recruitment services, enhancing supervision over employment discrimination, strengthening the safety management of on-site recruitment, regulating market service charging practices, improving the comprehensive supervision of market activities, and strengthening the education and guidance for job seekers.

According to the Contract Law of the PRC promulgated by the National People's Congress on March 15, 1999 and nullified since January 1, 2021, and the Civil Code of the PRC promulgated by the National People's Congress on May 28, 2020 and effective on January 1, 2021, an intermediation contract is defined as a contract whereby an intermediary presents to its client an opportunity for entering into a contract or provides the client with other intermediary services in connection with the conclusion of a contract, and the client pays the intermediary service fees. Pursuant to the Contract Law and the Civil Code of the PRC, an intermediary must provide authentic information relating to the proposed contract. If an intermediary intentionally conceals any material fact or provides false information in connection with the performance of the proposed contract, which results in harm to the client's interests, the intermediary may not claim service fees and is liable for the damages caused. Our business of connecting individual users with business customers on our online platform constitutes an intermediary service, and our contracts with business customers are intermediation contracts under the Contract Law and the Civil Code of the PRC, as a result, the performances, explanation and disputes under such contacts shall be regulated by these two bodies of law.

We have obtained a human resource service license with the service scope of "providing online recruitment services," which remains in full force and effect as of the date of this annual report.

Regulations Relating to Incorporation and Foreign Investment

The establishment, operation, and management of corporate entities in mainland China is governed by the PRC Company Law, which was promulgated by the Standing Committee of the National People's Congress, on December 29, 1993, effective from July 1, 1994 and last amended on December 29, 2023 and became effective on July 1, 2024. The PRC Company Law generally governs two types of companies, namely limited liability companies and joint-stock limited companies, both entitled with the status of legal persons. The liability of shareholders of a limited liability company or a joint-stock limited company is limited to the amount of registered capital they have contributed. The PRC Company Law shall also apply to foreign-invested companies unless laws on foreign investment have stipulated otherwise. The PRC Company Law which became effective on July 1, 2024 imposes greater personal liability for directors, supervisors and management. Shareholders of a company must fully pay in their subscribed registered capital within five years from the date of establishment of this company, and companies established before July 1, 2024 shall gradually adjust their capital contribution to meet this new requirement. Violation of this law could lead to sanctions and penalties, including fines, orders to correct and public announcements of violations. On December 20, 2024, the SAMR promulgated the Measures for the Implementation of the Administration of Company Registration, which came into effect on February 10, 2025, pursuant to which, for a limited liability company registered and established before June 30, 2024, if the remaining term for subscribed capital contribution exceeds five years as of July 1, 2027, the company shall adjust such remaining term to less than five years by June 30, 2027; if the remaining term for subscribed capital contribution is less than five years as of July 1, 2027 or the registered capital has been paid in full, no adjustment to the term for subscribed capital contribution is required. The Measures for the Implementation of the Administration of Company Registration shall also apply to foreign-invested companies unless laws on foreign investment have stipulated otherwise.

On March 15, 2019, the National People's Congress promulgated the PRC Foreign Investment Law, which came into effect on January 1, 2020 and replaced the previous laws regulating foreign investment in mainland China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and the ancillary regulations. The PRC Foreign Investment Law sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities. On December 30, 2019, the Ministry of Commerce and SAMR jointly promulgated the Measures for Reporting of Information on Foreign Investment, which came into effect on January 1, 2020, pursuant to which, the establishment of the foreign invested enterprises, including establishment through purchasing the equities of a domestic enterprise or subscribing to the increased registered capital of a domestic enterprise, and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Investment activities in mainland China by foreign investors are principally governed by The Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version), which we refer to as the Negative List, and Catalogue of Industries for Encouraging Foreign Investment (2022 version). The former which came into effect on November 1, 2024, sets out special administrative measures in respect of the access of foreign investments in a centralized manner, and the latter, which came into effect on January 1, 2023, sets out the encouraged industries for foreign investment. Our business in providing value-added telecommunication service falls within the restricted categories of the Negative List. Our business in providing internet culture business and radio and television program services falls within the prohibited categories of the Negative List.

Regulations Relating to Value-Added Telecommunication Services

Value-added Telecommunications Services

An extensive regulatory scheme governing telecommunication services, including value-added telecommunication services and infrastructure telecommunications services, is promulgated by the State Council, the MIIT, and other government authorities. Value-added telecommunication service operators may be required to obtain additional licenses and permits in addition to those that they currently have given new laws and regulations may be adopted from time to time. In addition, substantial uncertainties exist regarding the interpretation and implementation of current and any future laws and regulations of mainland China applicable to the telecommunication activities.

On September 25, 2000, the State Council promulgated the Telecommunication Regulations of the PRC, as last amended on February 6, 2016, to regulate telecommunications activities in mainland China. On December 28, 2015, the MIIT promulgated the Classification Catalogue of Telecommunications Services (2015 version), which was amended on June 6, 2019. According to the Telecommunications Regulations and the Classification Catalogue of Telecommunications Services, there are two categories of telecommunication activities, namely "infrastructure telecommunications services" and "value-added telecommunications services." Pursuant to the Telecommunications Regulations, operators of value-added telecommunications services shall be approved by the MIIT, or its provincial level counterparts, and obtain a license for value-added telecommunications business. The Measures for the Administration of Telecommunications Business Licensing, issued by the MIIT on March 1, 2009 and last amended on July 3, 2017 for the purpose of strengthening the administration of telecommunications business licensing set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services and the application for and the approval, use and administration of a telecommunications business permit.

Internet Information Services

The Administrative Measures on Internet Information Services, which were promulgated by the State Council on September 25, 2000, last amended on December 6, 2024 and became effective on January 20, 2025, set out guidelines on the provision of Internet information services. These measures classified Internet information services into commercial Internet information services and noncommercial Internet information services and a commercial operator of Internet content provision services must obtain a value-added telecommunications business operating license, or the ICP License, for the provision of Internet information services from the appropriate telecommunications authorities. As of the date of this annual report, we have obtained an ICP License for provision of internet information services.

According to the Administrative Measures on Internet Information Services, violators may be subject to penalties, including criminal sanctions, for providing Internet content that: opposes the fundamental principles stated in the PRC Constitution; compromises national security, divulges national secrets, subverts national power or damages national unity; harms national dignity or interest; incites ethnic hatred or racial discrimination or damages inter-ethnic unity; undermines the PRC's religious policy or propagates superstition; disseminates rumors, disturbs social order or disrupts social stability; disseminates obscenity or pornography, encourages gambling, violence, murder or fear or incites the commission of a crime; insults or slanders a third party or infringes upon the lawful rights and interests of a third party; or is otherwise prohibited by law or administrative regulations. An Internet information service provider may not post or disseminate any content that falls within prohibited categories and must stop providing any such content on their websites. The PRC government may order ICP License holders that violate any of the abovementioned content restrictions to correct those violations and revoke their ICP Licenses under serious conditions.

In addition to the Telecommunications Regulations and other regulations above, apps and app stores are specifically regulated by the Administrative Provisions on Mobile Internet Applications Information Services, which were promulgated by the CAC on June 28, 2016, amended on June 14, 2022 and became effective on August 1, 2022. These provisions regulate app information service providers and app store service providers and the CAC and local offices of cyberspace administration shall be responsible for the supervision and administration of nationwide or local APP information respectively.

App information service providers shall acquire the qualifications required by the laws and regulations and implement the information security management responsibilities strictly and fulfill their obligations, including real-name system, protection of users' information, examination and management of information content, etc.

The Provisions on Ecological Governance of Network Information Content, which were promulgated by the CAC on December 15, 2019 and became effective on March 1, 2020, clarify the scope of content to be encouraged, prohibited or prevented from production, reproduction and release. Producers of network information contents shall take measures to prevent and resist the production, reproduction and release of any adverse information with the following contents: (i) those using an exaggerated title, with the content seriously inconsistent with the title; (ii) those speculating in gossip, scandal or notoriety, etc.; (iii) those improperly commenting on natural disasters, major accidents or other disasters; (iv) those containing sexual cues or sexual teasing or others that are easily suggestive of sex; (v) those causing physical or mental discomfort such as bloodiness, horror and cruelty; (vi) those inciting mass discrimination or regional discrimination, etc.; (vii) those preaching tasteless, vulgar and kitsch contents; (viii) those probably inducing minors to imitate unsafe acts or acts violating social morality, or inducing minors to have unhealthy hobbies; and (ix) any other content that has an adverse impact on cyber ecology. A network information content service platform shall establish a mechanism for ecological governance of network information content, formulate detailed rules for ecological governance of network information content of its own platform, and improve systems for user registration, account management, information release review, thread comment review, page ecological management, real-time inspection, emergency response, and disposal of network rumors and black industry chain information. Users of network information content services, producers of network information contents and network information content service platforms shall not tamper with or hijack traffic, falsely register accounts or illegally trade accounts, or manipulate user accounts, manually or by technical means, thereby disrupting the order of cyber ecology.

On September 15, 2021, the CAC promulgated the Opinions on Further Enforcing Responsibilities on Website Platforms as the Main Responsible Party for Information Content Management, effective on the same date. The opinions stipulate that website platforms shall perform specific responsibilities as the main responsible party for information content management, including, among others, enhancing the platform community rules, strengthening the regulation and management of accounts, improving the content vetting mechanism and the quality of information content, managing the dissemination of information content, and strengthening the management of key functions.

The Administrative Provisions on the Account Information of Internet Users, which were promulgated by the CAC on June 27, 2022 and became effective on August 1, 2022, set out guidelines on the provision the account information of Internet users. Internet-based information service providers shall perform their responsibilities as the administrative subjects of the account information of internet users, have in place professionals and technical capacity appropriate to the scale of services, and establish, improve and strictly implement the authentication of real identity information, verification of account information, security of information content, ecological governance, emergency responses, protection of personal information and other management systems.

On September 17, 2021, the CAC, the MIIT, the SAMR, the Ministry of Public Security, the Ministry of Culture and Tourism and several other governmental authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services, effective on the same date, which stipulate that the regulators shall carry out daily monitoring of data use, application scenarios and effects of algorithms, and conduct security assessments of algorithm, and that an algorithm filing system shall be established and classification and hierarchical security management of algorithms shall be adopted. On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security and the SMAR jointly issued the Administrative Provisions on Algorithm Recommendation for Internet Information Service, which took effect on March 1, 2022. These provisions provide the classification and hierarchical management of algorithm recommendation service providers based on various criteria, and stipulates that algorithm recommendation service providers shall clearly inform users of their provision of algorithm recommendation services, and properly disclose the basic principles, intentions, and main operating mechanisms of algorithm recommendation services, and that algorithm recommendation service providers shall perform their responsibilities as subjects for algorithm security, establish and improve the management systems and technical measures for algorithm mechanism and principle review, scientific and technological ethics review, user registration, information release review, data security and personal information protection, anti-telecommunications and Internet fraud, security assessment and monitoring, and security incident emergency response, formulate and publicize the rules for algorithm recommendation services, and be equipped with professional staff and technical support appropriate to the scale of the algorithm recommendation service. An algorithm recommendation service provider with public opinion attribute or social mobilization ability shall fill in such information as the service provider's name, service form, application field, algorithm type, algorithm self-assessment report and content to be disclosed via the internet information service algorithm record-filing system to go through record-filing formalities.

Foreign Investment in Value-Added Telecommunications Industry

Pursuant to the Negative List and the Administrative Regulations on Foreign-Invested Telecommunications Enterprises (Revised in 2022), which were promulgated by the State Council on December 11, 2001 and last amended on March 29, 2022 by the State Council, the ultimate capital contribution percentage by foreign investor(s) in a foreign-invested value-added telecommunications services (except for e-commerce, domestic multi-party communications, storage-forwarding and call centers) is up to 50%. As of the date of this annual report, the VIE has obtained an ICP License for providing internet information services.

Regulations Relating to Online Transmission of Audio-Visual Programs

According to the Administrative Regulations on Internet Audio-Visual Program Service, promulgated by the State Administration of Press, Publication, Radio, Film and Television, or the SAPPRFT, and the Ministry of Information Industry (currently known as the MIIT) on December 20, 2007 and were last amended on August 28, 2015, "internet audio-visual program services" means producing, editing and integrating of audio-visual programs, supplying audio-visual programs to the public via the internet, and providing audio-visual programs uploading and transmission services to a third party. Entities providing internet audio-visual programs services must obtain a License for Online Transmission of Audio-Visual Programs or make the filing for providing internet audio-visual program services and content. Entities engaged in internet audio-visual program services without approval may be subject to warning, order to rectify, and a fine of no more than RMB30,000. Under serious conditions, the equipment used for such activities shall be confiscated and a fine of one but no more than two times of the investment amount may be imposed.

According to an Q&A session for reporters' questions on the Administrative Provisions on Internet-based Audio-Visual Program Services issued by the SAPPRFT on its official website on February 3, 2008, units that legally provide internet audio-visual program services before the issuance of the Administrative Provisions on Internet-based Audio-Visual Program Services, as long as the operators do not violate laws and regulations, have the right to re-register their businesses and continue to operate internet audio-visual program services. This exemption will not be granted to internet audio-visual program service units established after the release of the Administrative Provisions on Internet-based Audio-Visual Program Services. These policies were later reflected in the Notice on Issues Related to the Application and Examination of the Permit for Spreading Audio-Visual Programs via Information Network issued by the SAPPRFT on May 21, 2008 and last amended on August 28, 2015.

However, according to the Certain Decisions on the Entry of the Non-state-owned Capital into the Cultural Industry promulgated by the State Council and became effective on April 13, 2005, and the Several Opinions on Canvassing Foreign Investment into the Culture Sector promulgated by the Ministry of Culture (currently known as the Ministry of Culture and Tourism), the SAPPRFT, the NDRC and the Ministry of Commerce and became effective on July 6, 2005, non-state-owned enterprises and foreign investors are not allowed to conduct the business of transmitting audio-visual programs via an information network. In addition, in the current practice of governmental authorities in the PRC, only companies with 30 million or more daily active users and 100 or more program inspectors, personnel within a company that is responsible for reviewing and vetting the content of the internet audio-visual program, are eligible to make the filing with the National Internet Audio-Visual Platforms Information Registration Management System.

As of the date of this annual report, we have not obtained a License for Online Transmission of Audio-Visual Programs or made the filing for providing internet audio-visual program services and content through our online recruitment platform in mainland China, and we have not been subject to any administrative penalties imposed by, or any investigations initiated by, the governmental authorities due to lack of the license or failure to complete the filing. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Any lack of or failure to maintain requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations, and compliance with applicable laws or regulations may require us to obtain additional approvals or licenses or change our business model."

On March 30, 2009, the SAPPRFT promulgated the Notice on Strengthening the Administration of the Content of Internet Audio-Visual Programs, which reiterates the pre-approval requirements for the internet audio-visual programs, including those on mobile network (if applicable), and prohibits internet audio-visual programs containing violence, pornography, gambling, terrorism, superstition, or other prohibited elements.

On January 2, 2014, the SAPPRFT promulgated the Supplementary Notice on Further Improving the Management of Internet Audio-Visual Programs such as Online Dramas and Micro Movies, which requires institutions engaged in the production of internet audio-visual programs such as online dramas and micro films shall obtain a Radio and Television Program Production and Operation Permit. An internet-based audio-visual program service entity shall not broadcast online dramas, micro films and other internet audio-visual programs produced by institutions that have not obtained the Radio and Television Program Production and Operation Permit. An internet-based audio-visual program service entity can only forward programs uploaded by individuals who have verified their true identity information, and the programs must comply with the content management regulations. Internet audio-visual programs (including online dramas and micro films) shall be filed with the competent authorities before broadcasting.

On March 16, 2018, the SAPPRFT promulgated the Notice on Further Standardizing the Communication Order of Internet Audio-Visual Programs, which stipulates (including) audio-visual platforms shall not: (i) produce and disseminate programs that spoof and vilify classic literary and artistic works; (ii) re-edit, re-dub, re-subtitle or otherwise spoof classic literary and artistic works, radio, film and television programs, and network original audio-visual programs without authorization; and(iii)spread programs that have been edited and tampered with the original intention.

According to the Administrative Provisions on Network Audio and Video Information Services promulgated by the CAC, the Ministry of Culture and Tourism, and the National Radio and Television Administration on November 18, 2019, which took into effect on January 1, 2020, network audio and video information service providers shall, in accordance with the provisions of the PRC Cyber Security Law, authenticate users' real identity information based on organization code, identity card number, mobile phone number, etc. Network audio and video information service providers shall not provide information release services for users who fail to provide their real identity information. Network audio and video information service providers shall fulfill their responsibilities as subjects of information content security management, have in place professionals commensurate with their service scale, establish and improve their systems in respect of user registration, information release review, information security management, emergency response, education and training of practitioners, protection of minors, and protection of intellectual property rights. Network audio and video information service providers shall strengthen the management of the audio and video information released by network audio and video information service users, deploy and apply illegal and non-real audio and video identification technologies; if any audio and video information service user is found to produce, release or disseminate the information content prohibited by laws and regulations, the transmission of such information shall be ceased in accordance with the law or as agreed, and disposal measures such as deletion shall be taken to prevent the information from spreading, save records, and report to administrations of cyberspace, culture and tourism, radio and television, etc.

On January 9, 2019, the China Netcasting Services Association promulgated the Network Short Video Platform Management Specification and the Detailed Rules for the Censorship Standards for Online Short Video Content, as last amended on December 15, 2021, which clarifies that the network short video platform implements the program content review before broadcasting system, all short videos broadcast on the platform should be reviewed before broadcasting and the program shall not contain illegal or immoral content.

Regulation Relating to Production and Distribution of Radio and Television Programs

On August 11, 1997, the State Council promulgated Administrative Regulations on Radio and Television, which came into effect on September 1, 1997 and were last amended on December 6, 2024 and became effective on January 20, 2025. The establishment of the entities engaging in the production and management of radio television programs shall be subject to the approval of radio stations, television stations and the radio and television administrative department of the people's government at provincial level or above.

According to the Provisions for the Administration of the Production and Distribution of Radio and Television Programs promulgated by the SAPPRFT on July 19, 2004, which took into effect on August 20, 2004 and were last amended on October 29, 2020, any entity that produces or operates radio or television programs must obtain a Radio and Television Program Production and Operation Permit. Entities holding such permits shall conduct their business within the permitted scope as provided in their permits. Entities engaging in the producing or operating radio or television programs without such permit are subject to the closure of business, confiscation of used tools, equipment and carriers, as well as a fine between RMB 10,000 and RMB 50,000.

In addition, under the Provisions for the Administration of the Production and Distribution of Radio and Television Programs and the Negative List, foreign-invested enterprises are not allowed to engage in the above-mentioned services.

The VIE has obtained a Radio and Television Program Production and Operation Permit for the production of radio and television programs, which remains in full force and effect as of the date of this annual report.

Regulations Relating to Online Live Streaming Services

On November 4, 2016, the CAC promulgated the Regulations for the Administration of Online Live Streaming Services, which became effective on December 1, 2016. The regulations require providers of online live streaming services taking multiple measures when operating live streaming services, which includes (i) establishing a platform for censoring contents for live streaming, managing such contents based on category and level of user scale thereof, adding or broadcasting identification information of the platform for contents in the form of images/texts, video, and audio, and censoring news and information for live streaming and the interactions thereof prior to releasing them; (ii) authenticating real identity information of each user of online live streaming services based on mobile phone number in the principle of "real name in background, and willingness in foreground"; (iii) verifying real identity information of each online live-stream releaser, filing such information with local CAC branches in provinces, autonomous regions and centrally-administered municipalities on a classification basis, and providing law enforcement authorities with such information upon lawful request thereby; (iv) concluding a service agreement with any user of online live streaming services, defining rights and obligations of both sides, and requiring the user to comply with the laws, regulations and the platform convention; and (v) establishing a blacklist management system to prohibit any online live streaming services user included on the blacklist from registering another account, and reporting the blacklist to the CAC branch in the province, autonomous region or centrally- administered municipality where it is located.

According to the regulations, where a provider of online live streaming services or an online live-stream releaser provides Internet-based news and information service without or beyond permission, the CAC branches in provinces, autonomous regions and centrally-administered municipalities shall impose punishment on the provider or the releaser in accordance with the Regulations for the Administration of Internet-based News and Information Services. The CAC and its local branches shall, ex officio, impose punishment according to law on offenders otherwise violating the regulations, and such offenders shall be prosecuted for criminal liability according to law if such violation constitutes a crime. Where online live streaming services, which are provided through online performances and online audio-visual programs, violate laws and regulations, the authorities concerned shall impose punishment in accordance with the laws. On September 2, 2016, the SAPPRFT promulgated the Notice of Issues Related to Strengthening the Management of Live Streaming Service of Online Audio-Visual Programs, which requires that the online audio-visual live streaming of cultural activities, sports, major political, military, economic, social and cultural activities of general social groups must hold a License for Online Transmission of Audio-Visual Programs and that the information about the special activities to be live stream must be filed with the Provincial Department of the SAPPRFT in advance.

According to the Measures for the Administration of Cyber Performance Business Operations, promulgated by the Ministry of Culture (currently known as the Ministry of Culture and Tourism), on December 2, 2016 and became effective on January 1, 2017, a cyber-performance business entity engaging in cyber performance business operations shall, in accordance with the Interim Administrative Provisions on Internet Culture, apply to the cultural administrative department at the provincial level for an Internet Culture Business License, and the license shall specify the scope of its cyber performance. A cyber-performance business entity shall indicate the number of its Internet Culture Business License in a conspicuous position on its homepage.

According to the Notice on Tightening the Administration of Online Live-streaming Services jointly promulgated by the MIIT and other five promulgation authorities on August 1, 2018, online live-streaming services providers shall fulfill the website ICP filing formalities with the competent department for telecommunications according to the law. Online live-streaming services providers involved in the operation of telecommunications services and Internet-based news information, online performances, live broadcast of internet audio-visual programs and other services shall apply to the authorities for licenses for the operation of telecommunications services, Internet-based news information services, network cultural operations, and dissemination of audio-visual programs through information networks and shall complete record-filing formalities with the local public security authorities in accordance with the regulations within 30 days of their live-streaming services being launched.

According to the Notice on Strengthening the Administration of the Online Show Live Streaming and E-commerce Live Streaming issued by the National Radio and Television Administration on November 12, 2020, with respect to platforms providing online show live streaming services or e-commerce live streaming services, the overall ratio of front-line content reviewers to online live streaming rooms shall be 1:50 or higher. A platform shall report the number of its live streaming rooms, streamers and content reviewers to the provincial branch of the National Radio and Television Administration on a quarterly basis. Online show live streaming platforms shall tag content and streamers by category. A streamer cannot change the category of the programs offered in his or her live streaming room without prior approval from the platform. Users that are minors or without real-name registration are forbidden from virtual gifting, and platforms shall limit the maximum amount of virtual gifting per time, per day, and per month. When the virtual gifting by a user reaches half of the daily/monthly limit, a consumption reminder from the platform and a confirmation from the user by text messages or other means are required before the next transaction. When the amount of virtual gifting by a user reaches the daily/monthly limit, the platform shall suspend the virtual gifting function for such user for that day or month.

In addition, on February 9, 2021, the MIIT, the Ministry of Public Security, the Ministry of Culture and Tourism and the National Radio and Television Administration and other three promulgation authorities jointly promulgated the Guiding Opinions on Strengthening the Standardized Administration of Online Live-streaming, which require that Live-streaming platforms carrying out profit-making online performances shall hold the Permit for Network Culture Business and go through ICP record-filing; live-streaming platforms carrying out online audio-visual program services shall hold the License for Online Transmission of Audio-Visual Programs (or complete registration with the national information registration management system for online audio-visual platforms) and go through ICP record-filing; and live-streaming platforms carrying out Internet news information services shall hold the Permit for Internet News Information Services. Online live-streaming platforms shall timely go through the enterprise record-filing formalities with local competent Governmental Authorities such as the cyberspace administration authorities, and platforms ceasing to provide live-streaming services shall timely cancel their record-filing.

On September 4, 1991, the Standing Committee of the National People's Congress promulgated the Law of the PRC on the Protection of Minors, which came into effect on January 1, 1992 and were last amended on April 26, 2024. According to this Law, online live-streaming service providers shall not provide minors under the age of 16 with the account registration service of online live-streaming publishers; when providing account registration service of online live-streaming publishers for minors reaching the age of 16, the service providers shall verify the identity information of the minors and obtain the consent of their parents or other guardians.

Regulations Relating to Internet Culture Activities

On May 10, 2003, the Ministry of Culture (currently known as the Ministry of Culture and Tourism) promulgated the Interim Administrative Provisions on Internet Culture, which became effective on July 1, 2003 and were last amended on December 15, 2017. The provisions require Internet information services providers engaging in commercial "Internet culture activities" to file an application for establishment to the competent culture administration authorities for approval and obtain an Internet Culture Business Operating License from the Ministry of Culture. "Internet cultural activity" is defined under the provisions as an act of provision of internet cultural products and related services, which includes (i) the production, duplication, importation, and broadcasting of the internet cultural products; (ii) the online dissemination whereby cultural products are posted on the internet or transmitted via the internet to end-users, such as computers, fixed-line telephones, mobile phones, television sets and games machines, for online users' browsing, use or downloading; and (iii) the exhibition and competition of the internet cultural products. For any organization that engages in commercial Internet culture activities without approval, the cultural administration authorities or the cultural market enforcement authorities of the people's government above county level with jurisdiction shall order it to cease the commercial Internet culture activities, give it a warning and impose concurrently a fine less than RMB30,000 against it; if it refuses to cease the commercial Internet culture activities, it shall be blacklisted in the cultural market and be subject to punishment for dishonesty in accordance with the law.

In addition, according to the Negative List and Several Opinions on the Introduction of Foreign Investment in the Cultural Field, promulgated by the Ministry of Culture and other four government authorities, foreign-invested enterprises are not allowed to engage in the above-mentioned Internet cultural activity.

On August 12, 2013, the Ministry of Culture promulgated the Measures for the Administration of Content Self-Examination of Internet Culture Organizations, which became effective on December 1, 2013. Before providing services to the public, Internet culture organizations shall examine the contents of Internet culture products and services. An Internet culture organization shall establish a content management system, clarify the responsibilities, standards, processes and accountability methods of content audit, and report to the administrative department of culture at the provincial level for record.

Regulations Relating to Information Security and Censorship

Internet content in mainland China is regulated and restricted from a state security standpoint. The Standing Committee of the National People's Congress enacted the Decisions on the Maintenance of Internet Security on December 28, 2000, which were last amended on August 27, 2009, providing that the following activities conducted through the internet are subject to criminal liabilities: (i) gaining improper entry into any of the computer information networks relating to state affairs, national defensive affairs, or cutting-edge science and technology; (ii) violation of relevant provisions of the State in the form of unauthorized interruption of any computer network or communication service, as a result of which the computer network or communication system cannot function normally; (iii) spreading rumor, slander or other harmful information via the internet for the purpose of inciting subversion of the state political power; (iv) stealing or divulging state secrets, intelligence or military secrets via internet; (v) spreading false or inappropriate commercial information; or (vi) infringing on the intellectual property.

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the PRC Cyber Security Law, which became effective on June 1, 2017, pursuant to which, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks including us shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall prevent network data from being divulged, stolen or falsified. In addition, any network operator to collect personal information shall follow the principles of legitimacy, rationality and necessity and shall not collect or use any personal information without due authorization of the person whose personal information is collected, and network operators of key information infrastructure shall store within the territory of mainland China all the personal information and important data collected and produced within the territory of mainland China.

On September 12, 2022, the CAC released the Notice on Seeking Public Comments on the Decision on Amending the PRC Cyber Security Law (Draft for Public Comments), which imposes more stringent legal liabilities and raises the upper limit of monetary fines for serious violation of the security protection obligations of network operation, network information, critical information infrastructure and personal information under the PRC Cyber Security Law to RMB50 million or 5% of the company's total sales from the previous year.

On June 22, 2007, the Ministry of Public Security, the National Administration of State Secrets Protection, the State Cipher Code Administration and the Information Office of the State Council (absorbed into the MIIT) promulgated the Administrative Measures for the Graded Protection of Information Security, effective from June 22, 2007, pursuant to which, graded protection of the state information security shall follow the principle of "independent grading and independent protection," and the security protection grade of an information system shall be determined according to such factors as its level of importance in national security, economic development and social livelihood as well as its level of damage to national security, social order, public interests and the legitimate rights and interests of citizens, legal persons and other organizations in case it is destroyed, accordingly the security protection grade of an information system may be classified into five grades. The entities operating the information systems shall determine the security protection grade of the information system pursuant to these measures and the Guidelines for Grading of Classified Protection of Cyber Security, and report the grade to the relevant department for examination and approval.

On April 13, 2020, the CAC, the NDRC, MIIT and other nine promulgation authorities issued the Cybersecurity Review Measures, effective on June 1, 2020, which stipulate that the cybersecurity review shall focus on the evaluation of possible risks to national security caused by the purchase of the network product or service, also provide for more detailed rules regarding cybersecurity review requirements. On December 28, 2021, the CAC, together with certain other PRC governmental authorities, jointly released the Revised Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the Revised Cybersecurity Review Measures, critical information infrastructure operators procuring network products and services and online platform operators conducting data processing activities that affect or may affect national security shall conduct a cybersecurity review. In particular, if operators of critical information infrastructure anticipate that its procurement of network products and services affect or may affect national security after the network products and services being put into use, it shall apply for cybersecurity review to the Cybersecurity Review Office. In addition, online platform operators possessing personal information of more than one million users seeking to be listed on a foreign stock exchange must apply for a cybersecurity review. If the authorities believe that the network products or services or the data processing activities of the operators affect or may affect national security, they may initiate the cybersecurity review against such operators. Given the Revised Cybersecurity Review Measures were relatively new, there are substantial uncertainties as to the interpretation, application and enforcement of the Revised Cybersecurity Review Measures.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law which came into effect on September 1, 2021 and provides for a security review procedure for the data activities that may affect national security. The PRC Data Security Law requires data processing, which includes the collection, storage, use, processing, transmission, provision and publication of data, to be conducted in a legitimate and proper manner. It also introduces a data classification and hierarchical protection system based on the importance of data to economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. In addition, the PRC Data Security Law also provides that any organization or individual within the territory of mainland China shall not provide any foreign judicial body and law enforcement body with any data stored within the territory of mainland China without the approval of the competent PRC governmental authorities. Violation of the PRC Data Security Law may subject the entities or individuals to warning, fines, and business suspension, revocation of permits or business licenses, or even criminal liabilities.

On July 30, 2021, the PRC State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to such regulations, "critical information infrastructure" shall mean any important network facilities or information systems of important industries or fields such as public communication and information service, energy, transportation, water conservation, finance, public services, government digital services and national defense science, and any other important network facilities or information systems which may seriously endanger national security, national economy, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, the administration departments for each critical industry and sector shall be responsible for formulating identification rules and determining the critical information infrastructure in the respective industry or field. The operators shall be informed about the final determination. As of the date of this annual report, the Ministry of Transport has promulgated the Administrative Measures for the Security Protection of Railway Critical Information Infrastructure on December 17, 2023, which came into effect on February 1, 2024, and the Administrative Measures for the Security Protection of Highway and Waterway Critical Information Infrastructure on April 24, 2023, which came into effect on June 1, 2023. No other detailed implementation rules have been issued by governmental authorities, and we have not been informed by any governmental authority that we are a critical information infrastructure operator.

On September 24, 2024, the State Council promulgated Regulations on the Administration of Network Data Security, which came into effect on January 1, 2025, and provides that network data processors who carry out online data processing activities that impact or might impact national security, shall conduct a national security review in accordance with relevant national regulations. The Regulations on the Administration of Network Data Security also requires data processors processing over 10 million users' personal information to comply with the regulations on important data processors, including, among others, appointing a person in charge of data security and establishing a data security management organization, conducting risk assessments before providing, entrusting processing, and jointly processing important data ; when important data security is impacted due to merger, division, dissolution, bankruptcy, or so forth, measures shall be taken to ensure network data security, and the important data disposition plan, the name or contact information of the recipient shall be reported to the relevant competent departments at the provincial level or above. The regulations also provide that important data processors shall carry out a risk assessment of their network data processing activities every year and submit a risk assessment report to the relevant competent authorities at or above the provincial level, who shall promptly inform the cyberspace administration and public security authorities at the same level. In addition, large network platform service providers, i.e. services providers of a network platform with more than 50 million registered users or more than 10 million monthly active users, complex business types, and network data handling activities having a significant impact on national security, economic operation, national welfare and people's livelihood, shall release annual social responsibility reports on personal information protection, and the contents of such reports shall include but not be limited to the measures for personal information protection and the effects thereof, the acceptance of applications for the exercise of rights by individuals, and the performance of duties by the supervision body for personal information protection which is mainly composed of external members.

In addition, the Administrative Regulations on Online Recruitment Services provide that HR services agencies engaging in online recruitment services shall, in accordance with the requirements under the laws and regulations of mainland China related to national cybersecurity and cybersecurity graded protection systems, strengthen cybersecurity management, perform cybersecurity protection obligations, and adopt technical or other necessary measures to ensure the security of recruitment service network, information system and users' information. Moreover, HR services agencies shall establish and improve their users' information protection system for online recruitment services, and shall not disclose, divulge, damage or illegally sell or provide to any person, such information as the citizen identification number, age, gender, address, contact information of an individual or any information on business situations of an employer. If such agencies provide any personal information or important data collected or generated within mainland China to any overseas party due to their business operation, such provision shall abide by applicable laws and regulations of mainland China.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Cross-border Transfer of Data, which became effective on September 1, 2022. These measures require the data processor providing data overseas and falling under any of the following circumstances to apply for the security assessment of cross-border transfer of data with the local provincial-level counterparts of the national cybersecurity authority: (i) where the data processor intends to provide important data overseas; (ii) where a critical information infrastructure operator and a data processor who has processed personal information of more than 1,000,000 individuals intends to provide personal information overseas; (iii) where a data processor who has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals to overseas recipients, in each case as calculated cumulatively, since 1 January of the last year intends to provide personal information overseas; and (iv) other circumstances where the security assessment of data cross-border transfer is required as prescribed by the CAC. Furthermore, the data processor shall conduct a self-assessment on the risk of data cross-border transfer prior to applying for the foregoing security assessment, under which the data processor shall focus on certain factors including, among others, the legitimacy, fairness and necessity of the purpose, scope and method of data cross-border transfer and the data processing of overseas recipients, the scale, scope, type and sensitivity of the data to be transferred abroad, the risks that the cross-border data transfer may bring to national security, public interests and the legitimate rights and interests of individuals or organizations as well as whether the cross-border data transfer related contracts or the other legally binding documents to be entered with overseas recipients have fully included the data security protection responsibilities and obligations.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows, which became effective on the same day, requiring security assessment for the following types of cross-border data transfers: (i) for critical information infrastructure operators, the outbound transfer of personal information or important data, and (ii) for data processors that are not critical information infrastructure operators, the outbound transfer of important data or the cumulative outbound transfer within one calendar year of the personal information of over one million people or the sensitive personal information of over 10,000 people. These provisions also stipulated that, when data processors that are not critical information infrastructure operators engage in the cumulative outbound transfer within one calendar year of the personal information of over 10,000 people but less than one million people or the sensitive personal information of less than 10,000 people, the data processors must enter into a standard contract for cross-border transfer of personal information with the data recipient or obtain a certification for the protection of personal information. Furthermore, these provisions clarified that data processors do not need to treat any data as "important data" the outbound transfer of which requires security assessments, if government authorities have not declared or notified them that the data are "important data." The Provisions on Promoting and Regulating Cross-border Data Flows stipulates that a data handler providing personal information abroad may be exempted from declaring security assessment for data to be provided abroad, concluding a standard contract for personal information to be provided abroad or passing authentication for protection of personal information if it satisfies certain conditions. In addition, the provision of data collected and generated from activities such as international trade, cross-border transport, academic cooperation, and transnational manufacturing and marketing—provided such data does not contain personal information or important data—is exempt from the aforementioned procedures when shared with overseas parties.

On December 8, 2022, the MIIT issued the Measures for the Administration of Data Security in the Field of Industry and Information Technology (for Trial Implementation), which became effective on January 1, 2023. The measures are aimed to regulate the processing activities of data in the field of industry and information technology field conducted by data processors in the PRC. The measures apply to industrial enterprises, software and information technology service companies, and companies holding licenses for operation of telecommunication services that independently determine the purposes and methods of data processing in the course of data processing activities. Data processing activities include, among others, the collection, storage, use, processing, transmission, provision, and disclosure of data. Pursuant to the measures, data in the field of industry and information technology includes industrial data, telecommunication data and radio data generated and collected during the operation of the services. The measures provide for the classification of data in the field of industry and information technology as general, important, or core data, and provide specific requirements for the management of data classifications and data protection measures, including, among others, data collection, storage, processing, transmission, disclosure, and destruction for data processors in the field of industry and information technology. In particular, data processors processing important data and core data are required to complete filings with the authorities for the catalogue of important data and core data. The filing information includes basic information on the data, such as category, classification, quantity, processing purposes and methods of data processing, scope of use, liable entities, data sharing, cross-border transfer of data and data security protection measures. If over 30% of the quantity (*i.e.*, number of data items or amount of data stored) of important and core data changes or there is any material change to other filing information, data processors must update the filing information with the authorities within three months after such change. Furthermore, the measures provide data security requirements for cross-border and data transfers for data processors. If a data processor needs to transfer data in cases of merger, restructuring, or bankruptcy, it shall establish a data transfer plan and notify users affected. In addition, the measures indicate that the legal representative or principal of the data processor should be the primary person held accountable for data security and the person in charge of data security should take direct responsibility for the security of data processing activities.

On June 12, 2024, the CAC, the Ministry of Public Security, the Ministry of Culture and Tourism and the National Radio and Television Administration jointly promulgated the Provisions on the Governance of Cyberviolence Information, which came into effect on August 1, 2024. Pursuant to the provisions, the network information service providers shall perform their responsibilities as subjects of network information content administration, establish and improve a mechanism for governing cyberviolence information, and improve the systems for user registration, account management, personal information protection, information release review, monitoring and early warning, and identification and handling. The network information service providers shall also formulate and disclose management rules and platform conventions, enter into service agreements with users, specify the rights and obligations related to cyberviolence information governance, and fulfill governance responsibilities in accordance with the law and the agreement. Under the provisions, "cyberviolence information" refers to the illegal and harmful information that is released to individuals in a centralized manner in the form of texts, images, audio, videos, etc., and contains insults, verbal abuse, slanderous rumors, inciting hatred, coercion, privacy violations, accusations, mockery, depreciation, discrimination, and other contents that affect physical and mental health.

Regulations Relating to Privacy Protection

Pursuant to the Civil Code of the PRC, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

On December 13, 2005, the Ministry of Public Security issued the Regulations on Technological Measures for Internet Security Protection, which took effect on March 1, 2006. These measures require Internet service providers including us to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, and detect illegal information, stop transmission of such information, and keep records. Internet services providers including us are prohibited from unauthorized disclosure of users' information to any third parties unless such disclosure is required by the laws and regulations. They are further required to establish management systems and take technological measures to safeguard the freedom and secrecy of the users' correspondences.

On December 28, 2012, the Standing Committee of the National People's Congress promulgated the Decision on Strengthening Network Information Protection to enhance the legal protection of information security and privacy on the internet. On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users, effective on September 1, 2013, to regulate the collection and use of users' personal information in the provision of telecommunication services and Internet information services in mainland China and the personal information includes a user's name, birth date, identification card number, address, phone number, account name, password and other information that can be used for identifying a user. Telecommunication business operators and Internet service providers are required to constitute their own rules for the collecting and use of users' information and they cannot collect or use of user's information without users' consent. Telecommunication business operators and Internet service providers must specify the purposes, manners and scopes of information collection and uses, obtain the consent of the relevant individuals, and keep the collected personal information confidential. Telecommunication business operators and Internet service providers are prohibited from disclosing, tampering with, damaging, selling or illegally providing others with, collected personal information. Telecommunication business operators and Internet service providers are required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss.

On December 29, 2011, the MIIT promulgated the Several Provisions on Regulation of the Order of Internet Information Service Market, which became effective on March 15, 2012. The provisions stipulate that without the consent of users, Internet information service providers shall not collect information relevant to the users that can lead to the recognition of the identity of the users independently or in combination with other information, nor shall they provide this kind of information to others, unless otherwise provided by laws and administrative regulations. The provisions also require that Internet information service providers properly store this information; if it is divulged or may possibly be divulged, Internet information service providers shall immediately take remedial measures; where such incident causes or may cause serious consequences, they shall immediately report the same to the telecommunications administration authorities that grant them with the Internet information service license or filing and cooperate in the investigation and disposal carried out by the competent government authorities. Failure to comply with such requirements may result in a fine between RMB10,000 and RMB30,000 and an announcement to the public. According to the PRC Cyber Security Law, a network operator shall not collect personal information irrelevant to the services it provides or collect or use personal information in violation of the provisions of laws or agreements between both parties.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information, effective from June 1, 2017. These interpretations clarify several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC, including "citizen's personal information," "provision," and "unlawful acquisition." Also, they specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

On January 23, 2019, the Office of the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security, and the SAMR jointly issued an Announcement of Launching Special Crackdown Against Illegal Collection and Use of Personal Information by Apps to implement special rectification works against mobile Apps that collect and use personal information in violation of applicable laws and regulations, where business operators are prohibited from collecting personal information irrelevant to their services, or forcing users to give authorization in disguised manner.

On November 28, 2019, the CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the Methods of Identifying Illegal Acts of Apps to Collect and Use Personal Information, effective on the same date. This regulation further specifies certain illegal practices of Apps operators in terms of personal information protection, including "failure to publicize rules for collecting and using personal information," "failure to expressly state the purpose, manner and scope of collecting and using personal information," "collection and use of personal information without consent of users of such App," "collecting personal information irrelevant to the services provided by such App in violation of the principle of necessity," "provision of personal information to others without users' consent," "failure to provide the function of deleting or correcting personal information in accordance with the law" and "failure to disclose information for complaints and reporting."

On March 12, 2021, the MIIT, the CAC, the Ministry of Public Security and the SAMR jointly promulgated the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications, effective on May 1, 2021, which specify that the scope of necessary personal information for job hunting and recruitment applications includes mobile phone numbers of registered users and resume provided by job seekers. On April 26, 2021, the MIIT promulgated Interim Provisions on the Administration of Personal Information Protection for Apps (Draft for Comments), which further stipulate the protection and management of the personal information on the Apps. As of the date of this annual report, the Interim Provisions on the Administration of Personal Information Protection for Apps (Draft for Comments) has not been formally adopted.

The PRC Data Security Law specifies that the scope of the data almost includes all information records generated from every aspect of production, operation and management during the process of digital transformation of government affairs and enterprises, and requires that data shall be collected legally and properly and shall not be acquired by theft or other illegal means. An entity conducting data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training and take technical measures and other necessary measures to ensure the security of the information. In addition, data processing activities carried out through the Internet or any other information network shall be conducted on the basis of the graded protection system for cybersecurity. Risk monitoring shall be strengthened when data processing activities are conducted, and remedial measures shall be taken immediately upon discovery of any data security defect or bug. In case of data security incidents, disposal measures shall be taken immediately, users shall be timely notified in accordance with the provisions and reports shall be made to the competent authorities.

On August 20, 2021, the PRC Personal Information Protection Law was passed by the Standing Committee of the National People's Congress and became effective on November 1, 2021. This law consolidates rules with respect to personal information rights and privacy protection and specifies the protection requirements for processing personal information, and specifies the rules for processing sensitive personal information. The personal information of an individual shall be processed on the basis of having the consent of the data subject concerned or on some other legitimate basis. Only where there is a specific purpose and sufficient necessity, and under circumstances where strict protection measures are taken, may personal information processors process sensitive personal information. The processing of sensitive personal information of an individual shall be subject to the individual's separate consent. Personal information processors shall be subject to the liability for personal information processing activities, and adopt necessary measures to safeguard the security of the personal information. Otherwise, the personal information processors will be subject to orders of the regulatory authorities to rectify their operations, suspend or terminate the provision of services, or confiscation of illegal income, fines or other penalties.

In addition, the PRC Personal Information Protection Law strengthens the supervision of automatic decision making to protect the rights of individuals to obtain fair transaction terms and to strengthen the supervision of mobile applications, including: (i) requiring transparency, fairness and impartiality; (ii) banning automatic decision making that impose unreasonable preferential treatment on individuals in terms of transaction prices and other transaction conditions; (iii) setting forth individuals' right to opt out of automatic decision making; (iv) setting forth individuals' right to receive explanation of the process which could have significant impact on individuals' rights and interests and the right to not be subject to decisions based solely on automated processing when such decisions have significant impact on the individual. The processors using personal information for automatic decision making must ensure the transparency of the decision making and fairness and impartiality of the results, and the automatic decision making must not be used to impose unreasonable differential treatment on individuals in terms of transaction prices and other transaction conditions. If the automatic decision making is used for information pushing or commercial marketing to individuals, processors must provide individuals with options that are not based on the individuals' personal characteristics, or convenient methods for the individuals to refuse such commercial marketing or information pushing. Such options may include, for example, providing a tab on the user interface to disable information pushing with one click, so that users do not have to receive information feed customized based on his or her personal characteristic features. In addition, if such decisions significantly affect the rights and interests of an individual, the individual can request processors to give explanations or refuse to accept the processors making decisions solely based on automatic decision making.

Regulations Relating to Generative AI

On August 29, 2019, the Ministry of Science and Technology issued the Guidelines for the Construction of the National New Generation Artificial Intelligence Innovation and Development Pilot Zone, which were amended on September 29, 2020 and came into effect on the same date. The guidelines aim to establish a conducive environment for the innovation and development of AI, promote the establishment of AI infrastructure and enhance the conditional support for the innovation and development of AI.

On March 12, 2021, the National People's Congress promulgated the Outline of the 14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Outlines of Objectives in Perspective for the Year 2035. The outlines emphasize key focus areas including essential algorithms for AI, and underscore the nurturing of emerging digital industries such as AI.

On November 25, 2022, the CAC, the MIIT and the Ministry of Public Security promulgated the Administrative Provisions on Deep Synthesis of Internet Information Services, which became effective on January 10, 2023. Pursuant to these provisions, deep synthesis service providers are required to fulfill their primary responsibilities for information security, establish and improve management systems for various aspects including user registration, algorithm mechanism review, scientific and technological ethics review, information release review, data security, personal information protection, combating telecom and online fraud, and emergency response and implement secure and controllable technical support measures.

On July 10, 2023, the CAC, the NDRC, the Ministry of Education, the Ministry of Science and Technology, the MIIT, the Ministry of Public Security and the National Radio and Television Administration promulgated the Interim Measures for the Administration of Generative Artificial Intelligence Services, which became effective on August 15, 2023. These measures outline compliance requirements for providers of generative AI services to the public within the territory of PRC. Providers are required to conduct data processing training activities in accordance with PRC laws and regulations and assume responsibility as producers of network information contents, as well as fulfill network information security obligations. Any provider of Generative AI services with attribute of public opinions or of social mobilization ability shall conduct security assessment in accordance with the relevant provisions, and complete the formalities for algorithm filing, change or deregistration in accordance with the Administrative Provisions on Algorithm Recommendation for Internet Information Service. Other requirements under these measures include the use of legitimate data sources, no infringement on others' legitimate intellectual property rights, and obtaining consent for personal information usage. Violations may result in punishment specified under the PRC data and cybersecurity legal regime, including the PRC Cyber Security Law, the PRC Data Security Law, the PRC Personal Information Protection Law, and the PRC Science and Technology Progress Law. In the absence of any specific provisions, violations may result in warnings, orders to correct, and orders to suspend the provision of services determined by competent governmental authorities.

Regulations Relating to Advertisement

All commercial advertising activities for direct or indirect introduction of products or services promoted by product business operators or service providers via a certain medium and in a certain form within the territory of the PRC are applied to the PRC Advertising Law, promulgated by the Standing Committee of the National People's Congress on October 27, 1994 and as last amended and effective on April 29, 2021, which requires advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they produce or distribute are true and in full compliance with applicable laws and regulations and the content of the advertisement shall not contains the prohibited information including but not limited to (i) information harm the dignity or interests of the State or divulge the secrets of the State, (ii) information contain wordings such as "national level," "highest level" and "best," (iii) information contain ethnic, racial, religious, sexual discrimination. In addition, where a special government review is required for certain categories of advertisements before publishing, the advertisers, advertising operators and advertising distributors are obligated to confirm that such review has been duly performed and that the approval has been obtained. Without prior consent or request, the advertisers, advertising operators and advertising distributors shall not deliver advertisement to any person's accommodation or transportation. If the advertisers, advertising operators and advertising distributors display any pop-up advertisement, they shall show the close button clearly to make sure that the viewers can close the advertisement upon one-click.

Violations of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. For serious violations, the SAMR, or its local branches may order the violator to terminate its advertising operations or even revoke its business license. Furthermore, advertisers, advertising operators or advertising distributors may be subject to civil liabilities if they infringe on the legal rights and interests of third parties.

On February 25, 2023, the SAMR promulgated the Measures for the Administration of Internet Advertisement, effective from May 1, 2023. These measures are applicable to the usage of internet media such as websites, web pages, and internet applications, whether directly or indirectly, to promote commercial advertisement activities for products or services via text, images, videos or other forms, in the territory of the PRC. Under the new measures, when publishing internet advertisements in the form of pop-ups or other forms, the advertiser or the publisher should prominently mark a close button to ensure that the advertisement can be closed with one click. Furthermore, operators of live broadcasting rooms who are commissioned to provide advertisement design, production, agency and publishing services shall assume legal responsibility and obligations as the advertisement operator and advertiser.

In addition, according to the Provisions on Talent Market Administration, the Talent Intermediary Services agencies are prohibited from publishing fake recruitment advertisement and violations would lead to penalties under the PRC Advertising Law, which includes fines, prohibition from advertising for a period of time or revocation of business licenses.

Regulations Relating to Intellectual Property

Regulations on Patents

Pursuant to the Patent Law of the PRC, which was issued by the Standing Committee of the National People's Congress on March 12, 1984, and last revised on October 17, 2020 and became effective as of June 1, 2021, the State Intellectual Property Office is responsible for managing patent work of the whole nation. The patent management departments of the people's governments of each province, autonomous region and municipality directly under the central government are responsible for the patent management in their respective administrative regions. Chinese patent system adopts the principle of "prior application," *i.e.*, where two or more applicants file applications for patent for the identical invention or creation respectively, the patent right shall be granted to the applicant whose application was filed first. If one wishes to file application for patent for invention or utility models, the following three standards must be met: novelty, creativity and practicability. The validity period of a patent for invention is 20 years, the validity period of utility models is 10 years, and the validity period of the design is 15 years. Others may use the patent after obtaining the permit or proper authorization of the patent holder, otherwise such behavior will constitute an infringing act of the patent right.

Regulations on Trademarks

Pursuant to the Trademark Law of the PRC, which was promulgated by the Standing Committee of the National People's Congress on August 23, 1982 and last amended on April 23, 2019 and came into effect on November 1, 2019, the Implementation Regulations of the Trademark Law of the PRC which were issued by the State Council on August 3, 2002 and last amended on April 29, 2014, and went into effect on May 1, 2014. The Trademark Office under the China National Intellectual Property Administration shall handle trademark registrations and grant a term of ten years to registered trademarks, which may be renewed for additional ten year period upon request from the trademark owner. The Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Where an application for trademark for which application for registration has been made is identical or similar to another trademark which has already been registered or is under preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right of others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use. A trademark registrant may, by entering into a trademark licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licenser shall report the license to the Trademark Office under the China National Intellectual Property Administration for recordation, and the office shall publish it. An unrecorded license may not be used as a defense against a third party in good faith.

Regulations on Copyrights

Pursuant to the Copyright Law of the PRC promulgated by the Standing Committee of the National People's Congress on September 7, 1990, last amended on November 11, 2020 and became effective as of June 1, 2021, Chinese citizens, legal persons or other entities shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. Copyright holders can enjoy multiple rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Regulation on Computers Software Protection promulgated on June 4, 1991 by the State Council and last amended on January 30, 2013 and the Measures for the Registration of Computer Software Copyright promulgated in 1992 and last amended by the National Copyright Administration on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in mainland China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Regulations on Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names promulgated by MIIT on August 24, 2017 and became effective on November 1, 2017, domain name shall refer to the character mark of hierarchical structure, which identifies and locates a computer on the internet and corresponds to the Internet Protocol address of that computer. The MIIT supervises and administers the domain name services in mainland China. The registration for domain names such as the first-tier domain name ".cn" follows the principle of "first application, first registration." An applicant for registration of domain name shall provide information for the registration of domain name such as the true, accurate and complete information on the identity of the domain name holder to the domain name registration service authority. After completion of the registration procedures, the applicant will become the holder of the domain name. Any registration and use of domain names by organizations and individuals shall abide by the requirements of the Measures for the Administration of Internet Domain Names, and any registrations and uses of domain names in breach of the said Measures constitutes an offense and is subject to criminal liability.

Regulations Relating to Foreign Exchange

Regulations on Foreign Currency Exchange

The principal regulations governing foreign currency exchange in mainland China are the Foreign Exchange Administration Regulations, as last amended on August 5, 2008. Pursuant to the regulations, international payments in foreign exchange and the transfer of foreign exchange under the current account items shall not be subject to any state control or restriction when complying with certain procedural requirements. In contrast, the conversion of RMB into foreign currencies and remittance of the converted foreign currency outside mainland China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires prior approval from SAFE or its local branches.

According to the Circular of SAFE on Further Improving and Adjusting the Foreign Exchange Policies on Direct Investment and its appendix, the Operating Rules for Foreign Exchange Issues with Regard to Direct Investment under Capital Account, promulgated by the SAFE on November 19, 2012 and last amended on December 30, 2019, foreign exchange control measures related to foreign direct investment are improved, such as (i) the open of and payment into the foreign exchange account related to direct investment are no longer subject to approval by SAFE; (ii) reinvestment with legal income of foreign investors in mainland China is no longer subject to approval by SAFE; (iii) purchase and external payment of foreign exchange related to foreign direct investment are no longer subject to approval by SAFE. Later, on February 13, 2015, SAFE issued SAFE Circular 13, effective from June 1, 2015 and last amended on December 30, 2019, providing that the bank, instead of SAFE, can directly handle the foreign exchange registration and approval for foreign direct investment and SAFE and its branches.

SAFE released SAFE Circular 19, on March 30, 2015, which came into force on June 1, 2015 and last amended on March 23, 2023. Under SAFE Circular 19, a foreign invested enterprise, within the registered scope of business, may settle their foreign exchange capital following a principal of authenticity on a discretionary basis according to the actual needs of their business operation, and the RMB capital so converted can be used for equity investments within mainland China, which will be regarded as the reinvestment of foreign-invested enterprise, provided that such foreign invested enterprises are not registered as an enterprises mainly engaged in investment business, including foreign investment companies, foreign funded venture capital enterprises and foreign funded equity investment enterprises. The RMB converted from the foreign exchange capital will be kept in a designated account and is not allowed to be used directly or indirectly for purposes beyond its business scope or used to provide RMB entrusted loans (unless permitted within its registered business scope), repayment of inter-company loans (including third-party advances), and repayment of bank RMB loans that have been re-loaned to third parties, and other uses expressly forbidden under SAFE Circular 19.

The Circular of the SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, was promulgated and became effective on June 9, 2016 and last amended on December 4, 2023. According to SAFE Circular 16, enterprises registered in mainland China may also convert their foreign debts from foreign currency into RMB on self-discretionary basis. SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on self-discretionary basis, which applies to all enterprises registered in mainland China. SAFE Circular 16 reiterates the principle that RMB converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope and may not be used for investments in securities or other investment excluding financial products and structured deposits with risk rating results not higher than Grade II within mainland China unless otherwise specifically provided. Besides, the converted RMB shall not be used to make loans for non-affiliated enterprises unless it is permitted within the business scope or to purchase any residential real estate that is not for the enterprise's own use unless it is an enterprise engaging in real estate development and leasing.

On October 23, 2019, SAFE issued the SAFE Circular 28, last amended on December 4, 2023, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in mainland China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws.

According to the SAFE Circular 8 issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct spot checking in accordance with the requirements.

On December 4, 2023, SAFE issued the Notice by the State Administration of Foreign Exchange of Further Deepening Reforms to Facilitating Cross-border Trade and Investment, providing that qualified "high and new technology enterprises," "specialized, featured and new enterprises" and "small and medium-sized high-tech enterprises" in Tianjin, Shanghai, Jiangsu, Shandong (including Qingdao), Hubei, Guangdong (including Shenzhen), Sichuan, Shaanxi, Beijing, Chongqing, Zhejiang (including Ningbo), Anhui, Hunan, and Hainan may borrow foreign debts freely within the limit of the equivalent of US$10 million, and qualified "high and new technology enterprises," "specialized, featured and new enterprises" and "small and medium-sized high-tech enterprises" in other regions may borrow foreign debts freely within the limit of the equivalent of US$5 million. The interpretation and implementation in practice of this notice, Circular 28 and Circular 8 are still subject to substantial uncertainties given they are newly issued regulations.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

On July 4, 2014, SAFE issued SAFE Circular 37, to regulate foreign exchange matters in relation to the use of Special Purpose Vehicles, or SPVs, by mainland China residents or entities to seek offshore investment and financing or conduct round trip investment in mainland China.

Pursuant to SAFE Circular 37, a SPV refers to an overseas enterprise directly formed or indirectly controlled for investment or financing purposes by a domestic resident (domestic institution or domestic individual resident) with the assets or interests it legally holds overseas or in a domestic enterprise, while "round trip investment" refers to the direct investments made in mainland China by domestic residents directly or indirectly through SPVs, namely, the behavior of establishing foreign invested enterprises or projects in mainland China by formation, acquisition, merger, or any other means, and acquiring interests, such as ownership, control, or operating right, in them. SAFE Circular 37 provides that, before making contribution into an SPV, mainland China residents are required to complete foreign exchange registration with SAFE or its local branch according to SAFE Circular 37 and applicable currently effective SAFE regulations. According to Circular 13, local banks, instead of SAFE, will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration.

Failure to comply with the registration procedures set forth in SAFE Circular 37 and the subsequent notice, or making misrepresentation on or failure to disclose controllers of the foreign invested enterprise that is established through round-trip investment, may result in restrictions imposed on the foreign exchange activities of the foreign invested enterprise, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject mainland China residents or entities to penalties under PRC foreign exchange administration regulations.

We have used our best efforts to notify mainland China residents (domestic institution or domestic individual resident) who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being mainland China residents to complete the foreign exchange registrations. However, we may not at all times be fully aware or informed of the identities of all our shareholders or beneficial owners, and we cannot compel them to comply with SAFE registration requirements. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—PRC regulations relating to offshore investment activities by mainland China residents may limit our mainland China subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under laws of mainland China."

Regulations on Stock Incentive Plans

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE on February 15, 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non PRC citizens residing in mainland China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a subsidiary in mainland China of such overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit their ability to contribute additional capital into their wholly foreign owned subsidiaries in mainland China and limit these subsidiaries' ability to distribute dividends to them. The domestic agents shall, on behalf of the mainland China residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the mainland China residents' exercise of the employee share options. The foreign exchange proceeds received by the mainland China residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in mainland China established by the domestic agents before distribution to such mainland China residents. In addition, the domestic agents shall quarterly submit the form for record-filing of information of the Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies with SAFE or its local branches. In addition, the domestic agents are required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan.

In addition, the State Administration of Taxation has issued circulars concerning stock incentive plan including share option and restricted shares, under which the income derived from such stock incentive plan by our employees who are mainland China resident individuals under the PRC Individual Income Tax Law (2018 Revision) will be subject to PRC individual income tax. Our mainland China subsidiaries and VIE have obligations to file documents related to such stock incentive plan with the tax authorities and to withhold individual income taxes of those employees for their income derived from the stock incentive plan. If our employees fail to pay or if we fail to withhold their income taxes as required by the laws and regulations, we may face sanctions imposed by the PRC tax authorities or other PRC government authorities.

Regulations Relating to Dividend Distributions

The principal laws, rules and regulations governing dividend distributions by foreign-invested enterprises in mainland China are the PRC Company Law which was last amended in 2023 and became effective in July 2024 and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A mainland China company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A mainland China company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations Relating to Overseas Securities Offerings

On July 6, 2021, the PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC issued the Overseas Listing Regulations, and five supporting guidelines, which became effective on March 31, 2023. On May 16, 2023, the CSRC promulgated another supporting guideline, which came into effect on the same date. As a company that is listed outside of China whose main business operations are in mainland China, we must file with the CSRC within three business days after any offering of securities we make.

On February 24, 2023, the CSRC issued the Provisions on Strengthening the Confidentiality and Archive Management Work Relating to the Overseas Securities Offering and Listing by Domestic Companies, which became effective on March 31, 2023. These provisions aim to expand the applicable scope of the regulation to indirect overseas offerings and listings by PRC domestic companies and emphasize the confidentiality and archive management duties of PRC domestic companies during the process of overseas offerings and listings. Given these provisions were relatively new, there are substantial uncertainties as to their interpretation, application, and enforcement.

Regulations Relating to Employment and Social Welfare

Regulations on Employment

The major laws and regulations of mainland China that govern employment relationship are the PRC Labor Law, promulgated by the Standing Committee of the National People's Congress on July 5, 1994, effective on January 1, 1995 and last amended on December 29, 2018, and the PRC Labor Contract Law, promulgated by the Standing Committee of the National People's Congress on June 29, 2007, effective on January 1, 2008 and last amended on December 28, 2012, and the Implementation Rules of the PRC Labor Contract Law, issued by the State Council on September 18, 2008 and effective on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure its employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abide by state standards and provide relevant education to its employees. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Regulations on Social Insurance and Housing Fund

According to the Social Insurance Law of the PRC, which was issued by the Standing Committee of the National People's Congress on October 28, 2010 and came into effect on July 1, 2011 and was last revised on December 29, 2018, enterprises and institutions in mainland China shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance, medical insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to make correction within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and its directly liable person will be fined. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums, issued by the State Council on January 22, 1999, effective on the same day and was last revised on March 24, 2019, prescribes the details concerning the social securities.

Apart from the general provisions about social insurance, specific provisions on various types of insurance are set out in the Regulation on Work-Related Injury Insurance, issued by the State Council on April 27, 2003, effective on January 1, 2004, and revised on December 20, 2010, the Regulations on Unemployment Insurance, issued by the State Council on January 22, 1999 and effective on the same day, the Trial Measures on Employee Maternity Insurance of Enterprises, issued by the Ministry of Labor (one of the predecessors to the MOHRSS) on December 14, 1994 and effective on January 1, 1995. Enterprises subject to these regulations shall provide their employees with the corresponding insurance.

According to the Regulations on the Administration of Housing Provident Fund, implemented since April 3, 1999 and last amended on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as of its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as of the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center and seal up the employee's housing accumulation fund account in the bank mentioned above within 30 days from termination of the employment relationship.

Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the procedures within a prescribed time limit. Any entity failing to complete the procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity fails to make payment of housing provident fund within the time limit or has shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

Regulations Relating to Tax

Regulations on Dividend Withholding Tax

The PRC Enterprise Income Tax Law was promulgated by the National People's Congress on March 16, 2007, became effective on January 1, 2008 and was last amended on December 29, 2018. According to this law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC, which was issued on December 6, 2007, became effective on January 1, 2008 and was last amended on December 6, 2024 and became effective on January 20, 2025, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in mainland China to its foreign enterprise investors are subject to a 10% withholding tax, unless any such foreign enterprise investor's jurisdiction of incorporation has a tax treaty with mainland China that provides for a preferential withholding arrangement. According to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income, which was issued by the State Administration of Taxation on August 21, 2006 and was subsequently amended in 2008, 2011, 2016 and 2019, the withholding tax rate in respect of the payment of dividends by a mainland China enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the mainland China enterprise and certain other conditions are met, including: (i) the Hong Kong enterprise must directly own the required percentage of equity interests and voting rights in the mainland China resident enterprise; and (ii) the Hong Kong enterprise must have directly owned such required percentage in the mainland China resident enterprise throughout the 12 months prior to receiving the dividends. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued and became effective on February 20, 2009 by the State Administration of Taxation, if the PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement on Certain Issues with Respect to the "Beneficial Owner" in Tax Treaties issued by the State Administration of Taxation on February 3, 2018 and effective from April 1, 2018, if an applicant's business activities do not constitute substantive business activities, it could result in the negative determination of the applicant's status as a "beneficial owner," and consequently, the applicant could be precluded from enjoying the above-mentioned reduced income tax rate of 5%.

Regulations on Enterprise Income Tax

The PRC Enterprise Income Tax Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC impose a uniform 25% enterprise income tax rate to both foreign invested and domestic enterprises, except where tax incentives are granted to special industries and projects. Among other tax incentives, the preferential tax treatment continues as long as an enterprise can retain its "High and New Technology Enterprise" status.

Under the PRC Enterprise Income Tax Law, an enterprise established outside mainland China with "de facto management bodies" within mainland China is considered a "resident enterprise" for mainland China enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Circular 82 promulgated by the State Administration of Taxation on April 22, 2009 and last amended on December 29, 2017 and the Announcement of the State Administration of Taxation on Issues concerning the Determination of Resident Enterprises Based on the Standards of Actual Management Institutions promulgated by the State Administration of Taxation on January 29, 2014 set out the standards used to classify certain Chinese invested enterprises controlled by Chinese enterprises or Chinese enterprise groups and established outside of mainland China as "resident enterprises," which also clarified that dividends and other income paid by such mainland China "resident enterprises" will be considered PRC source income and subject to PRC withholding tax, currently at a rate of 10%, when paid to non-mainland China enterprise shareholders. This notice also subjects such mainland China "resident enterprises" to various reporting requirements with the PRC tax authorities. Under the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and HR, finances and properties of an enterprise.

On October 17, 2017, the State Administration of Taxation issued SAT Bulletin 37, last amended on June 15, 2018, which replaced the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-Mainland China Resident Enterprises, issued by the State Administration of Taxation, on December 10, 2009, and partially replaced and supplemented the rules under SAT Bulletin 7, issued by the State Administration of Taxation, on February 3, 2015. Under SAT Bulletin 7, an "indirect transfer" of assets, including equity interests in a mainland China resident enterprise, by non-mainland China resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of mainland China enterprise income tax. As a result, gains derived from such indirect transfer may be subject to mainland China enterprise income tax. In respect of an indirect offshore transfer of assets of a mainland establishment, the gain is to be regarded as effectively connected with the mainland China establishment and therefore included in its enterprise income tax filing, and would consequently be subject to mainland China enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immoveable properties in mainland China or to equity investments in a mainland China resident enterprise, which is not effectively connected to a mainland establishment of a non-resident enterprise, a mainland China enterprise income tax at 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments bears the withholding obligation. Pursuant to SAT Bulletin 37, the withholding party shall declare and pay the withheld tax to the competent tax authority in the place where such withholding party is located within seven days from the date of occurrence of the withholding obligation. Both SAT Bulletin 37 and SAT Bulletin 7 do not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange.

Regulations on Value-added Tax

The Provisional Regulations of the PRC on Value-added Tax were promulgated by the State Council on December 13, 1993 and came into effect on January 1, 1994 and were subsequently amended in 2008, 2016 and 2017, and will be repealed by the PRC Value-added Tax Law promulgated by the National People's Congress on December 25, 2024, and will become effective on January 1, 2026. The Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (Revised in 2011) were promulgated by the Ministry of Finance on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011. On November 19, 2017, the State Council promulgated the Decisions on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations of the PRC on Value-added Tax, or Order 691. According to the Provisional Regulations of the PRC on Value-added Tax, the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax and Order 691, all enterprises and individuals engaged in the sales of goods, the provision of processing, repair and replacement services, sales of services, intangible assets and real properties and the importation of goods within the territory of mainland China are subject to value-added tax. The value-added tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the value-added tax rate applicable to the small-scale taxpayers is 3%.

On April 4, 2018, Adjustment to Value-added Tax Rates, or Bulletin 32, was promulgated by the Ministry of Finance and the State Administration of Taxation, which came into effect on May 1, 2018. According to Bulletin 32, the value-added tax rates of 17% and 11% are changed to 16% and 10%, respectively. On March 20, 2019, the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs jointly promulgated the Announcement on Policies for Deepening the Value-added Tax Reform or Notice 39, which came into effect on April 1, 2019. Notice 39 further changes the value-added tax rates of 16% and 10% to 13% and 9%, respectively.

Under the PRC Value-added Tax Law, the applicable scope of value-added tax shall be adjusted to cover all the enterprises and individuals engaged in the sales of goods, services, intangible assets, real properties and importation of goods within the territory of mainland China. The general value-added tax rates remain at 13%, 9%, 6% and 0%, and the value-added tax rate applicable to small-scale taxpayers remains at 3%. In addition, the PRC Value-added Tax Law clarifies that when overseas entities and individuals conduct taxable transactions within mainland China, the purchasers shall act as the withholding agents, unless a domestic agent is appointed to file a tax return and pay tax in accordance with the provisions of the State Council.

Regulations Relating to Anti-Monopoly

The Standing Committee of the National People's Congress promulgated the Anti-Monopoly Law of the PRC on August 30, 2007, which came into effect on August 1, 2008 and last amended on June 24, 2022, reiterates that monopolistic conduct such as entering into monopoly agreements, abuse of such position and concentration of undertakings that have the effect of eliminating or restricting competition are prohibited. Furthermore, a business operator with a dominant market position may not abuse its dominant market position to conduct acts such as selling commodities at unfairly high prices or purchasing commodities at unfairly low prices, selling products at prices below cost without any justifiable cause, and refusing to trade with a trading party without any justifiable cause. Sanctions for the violations of the prohibition on the abuse of dominant market position include an order to cease the relevant activities, confiscation of the illegal gains and fines (from 1% to 10% of sales revenue from the previous year).

On August 3, 2008, the State Council issued the Provisions of the State Council on the Thresholds for Declaring Concentration of Business Operators, and last amended and took effective on January 22, 2024. Pursuant to the Anti-Monopoly Law of the PRC and such provisions, when a concentration of undertakings occurs and reaches any of the following thresholds, the undertakings concerned shall file a prior notification with the Anti-Monopoly agency (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB800 million within mainland China in the preceding fiscal year, or (ii) the total turnover within mainland China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within mainland China in the preceding fiscal year are triggered, and no concentration shall be implemented until the Anti-Monopoly agency clears the Anti-Monopoly filing. If a concentration of business operators does not satisfy the threshold for declaration as prescribed, but there is evidence proving that the concentration has or may have the effect of eliminating or restricting competition, the anti-monopoly law enforcement authorities of the State Council may request the business operators to make a concentration declaration. "Concentration of undertakings" means any of the following: (i) merger of undertakings; (ii) acquisition of control over another undertaking by acquiring equity or assets; or (iii) acquisition of control over, or exercising decisive influence on, another undertaking by contract or by any other means.

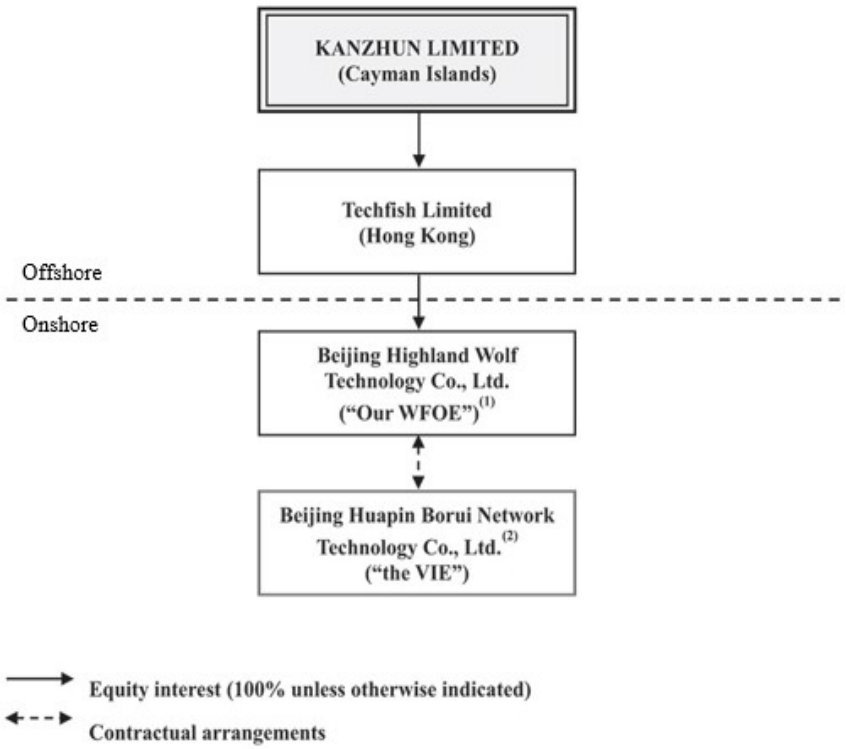
On February 7, 2021, the Anti-monopoly Commission of the State Council published the Guidelines on Anti-Monopoly Issues in Platform Economy, which took effect on the same date. These guidelines set out detailed standards and rules in respect of definition of relevant markets, typical types of cartel activity and abusive behavior by the operators of Internet platform with market dominance, as well as merger control review procedures, which provide further guidelines for enforcement of Anti-Monopoly laws regarding online platform operators.

On May 6, 2024, the SAMR promulgated the Interim Provisions Against Unfair Competition in Cyberspace, which became effective on September 1, 2024. This regulation aims to maintain the market order of fair competition, encourage innovation, protect the legitimate rights and interests of business operators and consumers and promote the standardized, sustainable and sound development of the digital economy. This regulations specified the specific behaviors of online unfair competition behaviors that should be prohibited, for example, the business operator shall not (i) make use of the Internet, big data, algorithms and other technical means to commit traffic hijacking, interference, malicious incompatibility and other acts by influencing users' choices or otherwise to impede or disrupt the normal operation of cyber goods or services legally provided by other business operators; (ii) intercept or block the information content and webpages legally provided by specific business operators, impede, or disrupt the normal operation of cyber goods or services legally provided by other business operators, and disrupt the fair competition order of the market; and (iii) make use of technical means to unreasonably provide different transaction conditions for its counterparties with identical conditions, infringe upon the right to option and fair transactions of the counterparties, impede or disrupt the normal operation of cyber goods or services legally provided by other business operators, and disrupt the fair transaction order of the market. Any business operator engaging in monopolistic conduct by excluding or restricting competition in cyberspace will be subject to penalties under the PRC Anti-Monopoly Law.

On March 10, 2023, the SAMR issued the Provisions on the Review of Concentration of Undertakings, the Provisions on the Prohibition of Monopoly Agreements, the Provisions on the Prohibition of Acts of Abuse of Dominant Market Position, and the Provisions on the Prohibition of Acts of Abuse of Administrative Power to Exclude or Restrict Competition, which came into effect on April 15, 2023. These provisions provide detailed rules for the implementation of the Anti-Monopoly Law of the PRC.

C. Organizational Structure

The following diagram illustrates our corporate structure, including our significant subsidiaries and the VIE, as of the date of this annual report:



Note:

(1) "Our WFOE" refers to Beijing Glorywolf Co., Ltd. from May 2014 to December 2023 and Beijing Highland Wolf Technology Co., Ltd. from January 2024 onwards.

(2) Shareholders of the VIE and their respective shareholdings in the VIE and relationships with our company are (i) Mr. Peng Zhao 99.5%, our Founder, Chairman and Chief Executive Officer; and (ii) Ms. Xu Yue 0.5%, our financial director. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—The shareholders of the VIE may have actual or potential conflicts of interest with us."

Contractual Arrangements with the VIE and Its Shareholders

Current laws and regulations of mainland China impose certain restrictions or prohibitions on foreign ownership of companies that engage in value-added telecommunication services and certain other businesses. We are an exempted company incorporated in the Cayman Islands. Our WFOE is our subsidiary in mainland China and is a foreign-invested enterprise under PRC Laws. To comply with laws and regulations of mainland China, we conduct certain of our business in mainland China through the VIE based on a series of contractual arrangements by and among our WFOE, the VIE and its shareholders.

Our contractual arrangements with the VIE and its shareholders allow us to (i) direct the activities of the VIE, (ii) receive substantially all of the economic benefits of the VIE, (iii) have the pledge right over the equity interests in the VIE as the pledgee, and (iv) have an exclusive call option to purchase all or part of the equity interests and/or assets in the VIE when and to the extent permitted by laws of mainland China.

As a result of our direct ownership in our WFOE and the contractual arrangements with the VIE, we are regarded as the primary beneficiary of the VIE, and we treat the VIE as our consolidated entities under U.S. GAAP. We have consolidated the financial results of the VIE in our consolidated financial statements in accordance with U.S. GAAP.

The following is a summary of the currently effective VIE contractual agreements by and among our WFOE, the VIE and its shareholders.

Agreements that allow us to direct the activities of the VIE

Powers of Attorney. Pursuant to the powers of attorney entered into by the VIE, its shareholders and our WFOE, each of the VIE shareholders unconditionally and irrevocably agrees to appoint our WFOE and/or its designee as their sole and exclusive agent to act on their behalf on all matters concerning the VIE and to exercise all of their rights as shareholder of the VIE, including but not limited to: (i) to propose, convene and attend shareholders' meetings of the VIE and sign minutes and resolutions of the shareholders' meeting on their behalf; (ii) to exercise all shareholder rights that they are entitled to under PRC laws and the articles of association of the VIE, including, but not limited to, the right to vote as a shareholder, and the right to sell or transfer or pledge or dispose of all or any part of their shareholding; and (iii) acting as their authorized representative to elect, designate and appoint the legal representative, chairman, directors, supervisors, general manager and other senior executives of the VIE. The powers of attorney will be terminated, among other things, under certain conditions when our WFOE or its designee is duly registered as the sole shareholder of the VIE on the premise that PRC laws permit our WFOE, or its offshore parent company or any subsidiary directly or indirectly controlled by it, to directly hold equity interest in and legally engage in the business conducted by the VIE.

Equity Pledge Agreement. Under the equity pledge agreement among our WFOE, the VIE and its shareholders dated January 1, 2024, each of the VIE shareholders agreed to pledge all of their respective equity interests in the VIE to our WFOE as a security interest to guarantee performance of their contractual obligations under the VIE contractual agreements and all liabilities, monetary debts or other payment obligations arising out of or in relation with the VIE contractual agreements.

Among other things, the VIE shareholders have undertaken that without our WFOE's prior written consent, they shall not directly or indirectly transfer the equity interests in any way, create or permit the existence of any pledge or other form of security which might affect the rights and interests of our WFOE, other than the transfer of such equity interests to our WFOE or its designee pursuant to the exclusive purchase option agreement discussed below.

Upon the occurrence of an event of default (as defined in the equity pledge agreement), our WFOE may, at any time thereafter, serve a default notice to the VIE shareholders, upon which our WFOE may (1) demand all the outstanding payment due according to the exclusive technology and service co-operation agreement discussed below, and/or (2) exercise its right of pledge according to the equity pledge agreement, or otherwise dispose of the pledged equity interest in accordance with applicable Laws, unless the event of default has been resolved in the satisfactory of our WFOE within 30 days after the default notice has been served. Our WFOE may exercise such right of pledge based on its own independent judgment. The shareholders of the VIE and the VIE have covenanted to unconditionally collaborate with our WFOE when our WFOE exercises such right of pledge. Our WFOE shall bear no responsibilities for any direct or indirect loss incurred consequent upon its exercise of such right of pledge.

The equity pledge agreement shall remain effective until, among others, the VIE and its shareholders have recorded the release of such pledged equity interests in the register of members of the VIE and completed the deregistration procedure.

We have completed the registration of the equity interest pledge under the equity pledge agreement in relation to the VIE with the relevant office of the SAMR in accordance with applicable laws and regulations of mainland China.

Agreements that allow us to receive economic benefits from the VIE

Exclusive Technology and Service Co-operation Agreement. Pursuant to the exclusive technology and service co-operation agreement among our WFOE, the VIE and its shareholders dated January 1, 2024, our WFOE has the exclusive right to provide technical consultancy, technical support, and other services, which may include (i) provision of advices on business management; (ii) provision of advices on IT system and other technical support; (iii) provision of business support, marketing and promotion; (iv) provision of development, maintenance and upgrade of software; (v) provision of human resources support; (vi) provision of leasing services to equipment; and (vii) other services requested from time to time.

Without our WFOE's prior written consent, the VIE shall not, and shall procure its subsidiaries not to, receive services which are identical or similar to the services covered by the exclusive technology and service co-operation agreement from any third party (as defined in the exclusive technology and service co-operation agreement).

In consideration of the services provided by our WFOE, the VIE shall pay service fee to our WFOE. Pursuant to the exclusive technology and service co-operation agreement, the service fees shall be equivalent to the total consolidated profit of the VIE and its subsidiaries, after offsetting the prior-year loss (if any), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, our WFOE shall have the right to adjust the level of the service fees by taking into account such factors as (a) the complexity and difficulty of the services involved, (b) the time taken for the services, (c) the scope of management and technical consulting and other services and their commercial value, (d) the scope of intellectual property licensing and leasing services and their commercial value, and (e) the market reference price for services of similar kinds. The VIE shall pay the service fees to our WFOE within 30 business days after given payment instructions by our WFOE.

Our WFOE has the exclusive and proprietary rights and interest to all intellectual properties, in irrespective of being developed by the VIE or by our WFOE. Without the prior written consent of our WFOE, the VIE shall not, and shall procure its subsidiaries not to, transfer, assign, pledge, or by any other means dispose of any of such intellectual properties.

The exclusive technology and service co-operation agreement shall remain effective until, among others, the date on which our WFOE or the party designated by our WFOE is formally registered as the shareholder of the VIE, in the case where our WFOE is permitted by the PRC laws to directly hold the shares of the VIE and our WFOE and its subsidiaries and affiliates are allowed to engage in the Relevant Businesses being currently operated by the VIE.

Agreements that provide us with the option to purchase the equity interests in the VIE

Exclusive Purchase Option Agreement. Under the exclusive call option agreement among our WFOE, the VIE and its shareholders dated January 1, 2024, our WFOE, or its offshore parent company or its directly or indirectly owned subsidiaries was granted an irrevocable and exclusive right by the VIE shareholders to purchase from each of the VIE shareholders all or any part of their respective equity interest in the VIE.

The VIE and its shareholders irrevocably covenanted that they shall procure each of the subsidiaries of the VIE to observe the same covenants as those made by the VIE under the corresponding provisions in the exclusive purchase option agreement that, among others, (i) unless with prior written consent by our WFOE, the VIE shall not sell, transfer, pledge, or otherwise dispose all or any part of its assets (other than the assets necessary for its ordinary course of business); (ii) without the prior consent by our WFOE, no actions or omissions would be taken that would adversely affect the operation status and asset value of the VIE; and (iii) upon the request of our WFOE, the VIE shareholders and the VIE shall appoint the party designated by our WFOE as the director, supervisor and/or senior officer of the VIE and/or remove the incumbent directors, supervisors and/or senior officers of the VIE and implement all applicable resolutions and filing procedures. In addition, the VIE shareholders irrevocably covenanted that they shall not sell, transfer, pledge, or otherwise dispose all or any part of its equity interest in the VIE, other than the creation of the pledge of the VIE's equity interest pursuant to the VIE contractual agreements.

The purchase price payable by our WFOE or its designee in respect of the transfer of the entire equity interest and/or the total assets of the VIE shall be the nominal price, or the minimum price required by competent PRC authorities or PRC laws. However, in any event, subject to the provisions and requirements of PRC laws, the price paid by our WFOE and/or its designee to the VIE and/or VIE shareholders at any such price shall be returned by the VIE and/or VIE shareholders to our WFOE at the time and in the form requested by our WFOE.

The exclusive purchase option agreement shall remain effective for ten years with our WFOE having the option to renew it until all the equity interest in and/or all assets of the VIE has been transferred to our WFOE and/or its designee (registration has been completed for the change of members) and our WFOE and its subsidiaries and branches can legally engage in the business of the VIE.

The VIE and its shareholders, among other things, have covenanted that: (i) without the prior written consent of our WFOE, they shall not supplement, alter or modify the articles of association of the VIE, or change its registered capital or capital structure in any way; (ii) they shall maintain the VIE's corporate existence and conduct its business and affairs prudently and efficiently; (iii) without the prior written consent of our WFOE, the VIE will not sell, transfer, pledge or otherwise dispose of any of its assets (except for what is required for daily business operations), business or revenue; (iv) without the prior written consent of our WFOE, the VIE will not incur, inherit, guarantee or permit any debt except for: debts arising in the ordinary or usual course of business other than by means of loans; and debts that have been disclosed to and agreed in writing by our WFOE; (v) they shall maintain the ordinary business operations of the VIE so as to maintain the value of the VIE's assets, and shall not perform any act/omission which would be sufficient to affect its business condition and the value of its assets; (vi) without the prior written consent of our WFOE, the VIE shall not enter into any material contract other than contracts entered into in the ordinary and normal course of business and contracts entered into by the VIE and our WFOE's overseas parent company and/or the subsidiaries directly or indirectly controlled by such parent company; (vii) without the prior written consent of our WFOE, the VIE shall not provide any loan or security to any person; (viii) upon the request of our WFOE, the VIE will provide to our WFOE all the information concerning its operating and financial status; (ix) without the prior written consent of our WFOE, they shall not procure or consent the VIE to merge or form a joint venture with any entities, or acquire or make investment in any entity; (x) they shall immediately notify our WFOE and take all necessary actions pursuant to the reasonable requirements of our WFOE when there is any litigation, arbitration or administrative proceedings that would occur or might occur in connection with the VIE's assets, business and revenue; (xi) to protect the VIE's ownership of all its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate claims or take necessary and appropriate defense against all claims; (xii) without the prior written consent of our WFOE, the VIE shall not distribute dividends in any form to its shareholders, but shall, upon the request of our WFOE, immediately distribute all distributable profits to its respective shareholders; and (xiii) the VIE shall, upon the request of our WFOE, appoint or terminate the appointment of any person designated by our WFOE to act as a director of the VIE.

The VIE shareholders, among other things, have further covenanted that: (i) without the prior written consent of our WFOE, they shall not sell, transfer, pledge or dispose legal or beneficial interest in the VIE, or impose any encumbrances on such rights and interests, other than the creation of the pledge of the VIE's equity interest pursuant to the VIE contractual agreements; (ii) shall not engage in any business operation or conduct in any manner which may impose an adverse impact on the reputation of the VIE; (iii) without our WFOE's prior written consent, they shall procure board of directors and/or shareholders' meetings of the VIE not to approve the sale, transfer, pledge, or disposal of legal or beneficial interest of any equity interest or assets, or allow creation of any encumbrances thereon, other than the creation of the pledge of the VIE's shares pursuant to the VIE contractual agreements; (iv) without our WFOE's prior written consent, they shall not procure board of directors and/or shareholders' meetings of the VIE to approve a merger, or consolidation, or acquisition in any person, or divestment of the VIE, revision of its articles of associations, or change in registered capital or its corporate status; (v) the VIE shareholders shall not instruct the VIE to pay any dividends or bonus or to convene a shareholders' meeting in relation thereto, or to vote in favour of such matter at such meeting; and (vi) they shall abide strictly by the VIE contractual agreements, perform the obligations under such agreements effectively, and not take any actions or omissions which may adversely affect the validity and enforceability of such agreements.

Spousal Consent. Pursuant to the spousal consent letter executed by the spouses of both shareholders of the VIE on January 1, 2024, the signing spouse unconditionally and irrevocably consents to the execution of the exclusive technology and service co-operation agreement, the equity pledge agreement, the exclusive purchase option agreement, and the powers of attorney executed by Mr. Zhao or Ms. Yue (as the case may be) and to the disposal in accordance therewith of the equity interest in the VIE held by Mr. Zhao or Ms. Yue (as the case may be). Each of the spouses also undertook (i) not to make any claim with respect to the equity interest in the VIE; (ii) to execute all documents and take all actions necessary to ensure that the exclusive technology and service co-operation agreement, the equity pledge agreement, the exclusive purchase option agreement and the powers of attorney (as amended from time to time) are properly performed; and (iii) if for any reason the spouses acquire any of the equity held by the VIE shareholder in the VIE, to be bound by the aforementioned documents and execute any required written documents for such purpose.

In the opinion of Tian Yuan Law Firm, our PRC legal counsel:

- the ownership structures of the VIE and our WFOE in China are not in violation of applicable mandatory laws and regulations of mainland China currently in effect; and
- each of the agreements under the contractual arrangements among our WFOE, the VIE and its shareholders governed by PRC law currently is valid and binding, and do not violate applicable PRC laws or regulations currently in effect.

However, our PRC legal counsel has also advised us that there are substantial uncertainties regarding the interpretation and application of current and future laws of mainland China, regulations and rules. Accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new laws or regulations of mainland China relating to VIE structures will be adopted or if adopted, what they would provide. If we or the VIE are found to be in violation of any existing or future laws or regulations of mainland China, or fail to obtain or maintain any of the required permits, approvals, or filings, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See "Item 3. Key Information—D. Risk Factors—Risks relating to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with laws and regulations of mainland China relating to the relevant industries, or if these laws and regulations or the interpretation of existing laws and regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—Our current corporate structure and business operations may be substantially affected by the Foreign Investment Law" and "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could adversely affect us."

D. Property, Plants and Equipment

Our headquarters are based in Beijing and we have offices in 38 cities in mainland China. We leased properties in mainland China with a total gross floor area of approximately 100,000 square meters as of the date of this annual report. Our leased properties are mainly used as offices. They mainly include premises for our headquarters and offices. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties about our business and operations. Our actual results and the timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those we describe under "Item 3. Key Information—D. Risk Factors" and elsewhere in this annual report.

A. Operating Results

Key Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of general factors that impact China's online recruitment service market, including, among others:

- China's overall economic condition and its influence on job market and recruitment industry;
- greater challenges in hiring leading to the increasing adoption of recruitment services;
- digitalization of the recruitment industry;
- growth of the blue-collar sector;
- the high growth potential in online penetration among employers, in particular Bosses;
- the competitive landscape of China's online recruitment service industry and our market position therein; and
- government policies and regulations affecting China's internet industry as well as online recruitment service industry.

Unfavorable changes in any of these general conditions could negatively impact demand for our services and materially and adversely affect our results of operations. While our business is influenced by these general factors, our results of operations are more directly affected by the following company-specific factors.

Our ability to expand our large and active user base and enhance user engagement

A large and active user base is the core reason why enterprise users and job seekers are attracted to and continue to use our online recruitment platform, as enterprise users primarily look for a large talent pool to recruit from and job seekers value access to a multitude of actively hiring employers when using recruitment services. We believe it is important to grow our MAU, which we view as a key indicator of the size of our active user base, in order to support our business development. Our average MAU grew by 47.4% from 28.7 million in 2022 to 42.3 million in 2023, and further grew by 25.3% to 53.0 million in 2024. Whether we can continue to grow our MAU mainly depends on our ability to provide high-quality user experience. To this end, we will continue to focus on providing a personalized user experience through enhancing our big data technology capabilities that power the recommendation engine, offering more efficient and flexible communication methods for our users, and improving the reliability of our online recruitment platform.

Our acquisition of paid enterprise customers

Growth in the number of paid enterprise customers is a key driver of our revenue growth, as most of our revenues come from providing online recruitment services to paid enterprise customers. The continued growth of our business therefore depends on our acquisition of paid enterprise customers. Our paid enterprise customers grew by 44.4% from 3.6 million in 2022 to 5.2 million in 2023, and further grew by 17.3% to 6.1 million in 2024. In order to improve our acquisition of paid enterprise customers, we will continue to focus our resources on maintaining relationships with existing enterprise users, improving service quality, converting free enterprise users and their companies to paid enterprise customers, exploring new services, features and functionalities responsive to user needs, promoting awareness of our brands, and marketing our services to a wider user group and in more geographical markets.

Our ability to expand our services to existing paid enterprise customers

We believe that there is a significant opportunity for cross selling more of our online recruitment services to our existing paid enterprise customers. Among our paid enterprise customers, those who contributed revenues of RMB5,000 or more to us in a twelve-month period ended on the end of a given period accounted for the majority of our revenue source in 2022, 2023 and 2024. Paid enterprise customers who contributed RMB5,000 or more, but less than RMB50,000 of revenues to us in a twelve-month period ended on the end of a given period, or mid-sized accounts, contributed 39.3%, 35.8% and 34.6% of our total revenues in 2022, 2023 and 2024, respectively. In addition, paid enterprise customers who contributed RMB50,000 or more of revenues to us in a twelve-month period ended on the end of a given period, or key accounts, contributed 22.9%, 21.2% and 24.1% of our total revenues in 2022, 2023 and 2024, respectively. We value key accounts because they typically are large enterprises with steady demand for our online recruitment services and a stable recruiting budget. The number of key accounts increased by 24.3% from 5,984 in 2022 to 7,440 in 2023 and further increased by 27.2% to 9,465 in 2024. The solid revenue contribution of mid-sized accounts and key accounts speaks to the importance of expanding our services to existing paid enterprise customers, which will increase their spending. To expand our services to existing paid enterprise customers, we plan to introduce new service offerings, better educate existing paid enterprise customers about the value of additional services, and recommend more customized services to each paid enterprise customer based on analysis of its historical hiring behaviors.

Our ability to promote our brands and market our services more effectively

Our investment in branding, marketing and promotional activities contributes to our user acquisition, and whether such investment is cost-effective has a significant impact on our results of operations. To achieve maximum return for our branding and marketing investments, we set and adjust our branding and marketing strategies based on data analytics of factors such as occupational structure, average income of target demographics, and characteristics of different marketing channels. Our advertising expenses represented 17.6%, 9.8% and 7.2% of our revenues in 2022, 2023 and 2024, respectively. The declining proportion of our advertising expenses to revenues signifies higher efficiency of our advertising and marketing activities. We will continue to monitor and manage our advertising expenses.

Our ability to enhance our operating efficiency

Our results of operations are further affected by our operating efficiency in aspects other than sales and marketing, as measured by our total operating cost and expenses excluding sales and marketing expenses as a percentage of our revenues. Our total operating cost and expenses excluding sales and marketing expenses trended downwards as a percentage of our revenues from 2022 to 2024. As our business grows further, we expect to improve the efficiency and utilization of our personnel, and leverage our scale to achieve greater operating leverage.

Key Components of Results of Operations

Revenues

We derive most of our revenues from paid enterprise customers on our online recruitment platform. We provide online recruitment services to enterprise customers that allow them to access and interact with job seekers and better manage their recruitment process. The following table sets forth the components of our revenues by amounts and percentages of our revenues for the periods presented.

	For the Year Ended December 31,						
	2022		2023		2024		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Revenues							
Online recruitment services to enterprise customers	4,461,282	98.9	5,889,101	98.9	7,270,026	995,989	98.8
Others	49,780	1.1	62,927	1.1	85,651	11,734	1.2
Total revenues	**4,511,062**	**100.0**	**5,952,028**	**100.0**	**7,355,677**	**1,007,723**	**100.0**

Operating cost and expenses

Our operating costs and expenses consist of cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses.

Cost of revenues. Our cost of revenues primarily consists of payment processing cost, payroll and other employee-related expenses, server and bandwidth service cost and server depreciation.

Sales and marketing expenses. Our sales and marketing expenses primarily consist of (i) payroll and other employee-related expenses for our sales and marketing staff, (ii) advertising expenses, including expenses relating to branding activities and online traffic acquisition, and (iii) other miscellaneous expenses for our sales functions. Our advertising expenses are mainly incurred to (i) promote our brands through marketing campaigns, TV commercials and outdoor advertisements, (ii) purchase online traffic acquisition services, such as those that enhance our exposure on social media and priority in search results in app stores and search engines, and (iii) manage public relations for pro bono events. The following table sets forth the components of our sales and marketing expenses by amounts and percentages of our revenues for the periods presented.

	For the Year Ended December 31,						
	2022		2023		2024		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Sales and marketing expenses							
Payroll and other employee-related expenses	1,065,184	23.6	1,221,732	20.5	1,350,651	185,038	18.4
Advertising expenses	793,211	17.6	582,075	9.8	530,447	72,671	7.2
Others	142,505	3.2	187,419	3.2	191,954	26,298	2.6
Total	**2,000,900**	**44.4**	**1,991,226**	**33.5**	**2,073,052**	**284,007**	**28.2**

Research and development expenses. Our research and development expenses primarily consist of payroll and other employee-related expenses for our research and development staff.

General and administrative expenses. Our general and administrative expenses primarily consist of payroll and other employee-related expenses for our managerial and administrative staff.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods presented, both in absolute amounts and as percentages of our total revenues.

	For the Year Ended December 31,						
	2022		2023		2024		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Revenues							
Online recruitment services to enterprise customers	4,461,282	98.9	5,889,101	98.9	7,270,026	995,989	98.8
Others	49,780	1.1	62,927	1.1	85,651	11,734	1.2
Total revenues	**4,511,062**	**100.0**	**5,952,028**	**100.0**	**7,355,677**	**1,007,723**	**100.0**
Operating cost and expenses							
Cost of revenues[(1)]	(754,861)	(16.7)	(1,059,861)	(17.8)	(1,239,712)	(169,840)	(16.8)
Sales and marketing expenses[(1)]	(2,000,900)	(44.4)	(1,991,226)	(33.5)	(2,073,052)	(284,007)	(28.2)
Research and development expenses[(1)]	(1,182,716)	(26.2)	(1,543,568)	(25.9)	(1,815,809)	(248,765)	(24.7)
General and administrative expenses[(1)]	(719,699)	(16.0)	(811,787)	(13.6)	(1,093,949)	(149,870)	(14.9)
Total operating cost and expenses	**(4,658,176)**	**(103.3)**	**(5,406,442)**	**(90.8)**	**(6,222,522)**	**(852,482)**	**(84.6)**
Other operating income, net	17,595	0.4	35,385	0.6	39,791	5,451	0.5
(Loss)/Income from operations	**(129,519)**	**(2.9)**	**580,971**	**9.8**	**1,172,946**	**160,692**	**15.9**
Interest and investment income, net	226,482	5.0	606,757	10.2	625,282	85,663	8.5
Foreign exchange gain/(loss)	8,627	0.2	1,088	0.0	(68)	(9)	(0.0)
Other income, net	11,406	0.3	32,973	0.6	34,500	4,726	0.5
Income before income tax expenses	**116,996**	**2.6**	**1,221,789**	**20.6**	**1,832,660**	**251,072**	**24.9**
Income tax expenses	(9,751)	(0.2)	(122,571)	(2.1)	(265,634)	(36,392)	(3.6)
Net income	**107,245**	**2.4**	**1,099,218**	**18.5**	**1,567,026**	**214,680**	**21.3**

(1) Share-based compensation expenses were allocated as follows:

	For the Year Ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US$
	(in thousands)			
Share-based compensation expenses				
Cost of revenues	39,587	46,395	43,332	5,936
Sales and marketing expenses	170,366	262,431	280,668	38,451
Research and development expenses	284,323	418,769	421,411	57,733
General and administrative expenses	197,928	329,372	398,274	54,563
Total	**692,204**	**1,056,967**	**1,143,685**	**156,683**

Year Ended December 31, 2024 compared to Year Ended December 31, 2023

Revenues

Our revenues primarily come from online recruitment services provided to paid enterprise customers. Our revenues increased by 23.6% from RMB6.0 billion in 2023 to RMB7.4 billion (US$1.0 billion) in 2024. This increase was primarily driven by the growth in paid enterprise customers. In particular, revenues from online recruitment services to enterprise customers increased by 23.4% from RMB5.9 billion in 2023 to RMB7.3 billion (US$996.0 million) in 2024. Revenues from other services, which mainly comprise paid value-added services offered to job seekers, increased by 36.2% from RMB62.9 million in 2023 to RMB85.7 million (US$11.7 million) in 2024.

Cost of revenues

Our cost of revenues increased by 17.0% from RMB1.1 billion in 2023 to RMB1.2 billion (US$169.8 million) in 2024, primarily due to increases in server and bandwidth cost, payment processing cost and cost related to other businesses.

Sales and marketing expenses

Our sales and marketing expenses increased by 4.1% from RMB2.0 billion in 2023 to RMB2.1 billion (US$284.0 million) in 2024, primarily due to an increase in employee-related expenses, partially offset by a decrease in advertising and marketing expenses.

Research and development expenses

Our research and development expenses increased by 17.6% from RMB1.5 billion in 2023 to RMB1.8 billion (US$248.8 million) in 2024, primarily due to an increase in investments in technology.

General and administrative expenses

Our general and administrative expenses increased by 34.7% from RMB811.8 million in 2023 to RMB1.1 billion (US$149.9 million) in 2024, mainly due to an increase in employee-related expenses.

Income from operations

As a result of the foregoing, our income from operations increased by 101.9% from RMB581.0 million in 2023 to RMB1.2 billion (US$160.7 million) in 2024.

Interest and investment income

Our interest and investment income increased by 3.0% from RMB606.8 million in 2023 to RMB625.3 million (US$85.7 million) in 2024, primarily attributable to an increase in investments in financial products in 2024.

Income tax expenses

Our income tax expenses increased by 116.6% from RMB122.6 million in 2023 to RMB265.6 million (US$36.4 million) in 2024.

Net income

As a result of the foregoing, our net income increased by 42.6% from RMB1.1 billion in 2023 to RMB1.6 billion (US$214.7 million) in 2024.

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

Revenues

Our revenues primarily come from online recruitment services provided to paid enterprise customers. Our revenues increased by 31.9% from RMB4.5 billion in 2022 to RMB6.0 billion in 2023. This increase was primarily resulted from the user growth and increased user engagement. In particular, revenues from online recruitment services to enterprise customers were RMB5.9 billion in 2023, representing an increase of 32.0% from RMB4.5 billion in 2022. Revenues from other services, which mainly comprise paid value-added services offered to job seekers, were RMB62.9 million in 2023, representing an increase of 26.3% from RMB49.8 million for the full year of 2022.

Cost of revenues

Our cost of revenues increased by 40.4% from RMB754.9 million in 2022 to RMB1.1 billion in 2023, primarily driven by increases in server and bandwidth cost and payment processing cost.

Sales and marketing expenses

Our sales and marketing expenses were RMB2.0 billion in 2023, relatively stable with that in 2022. The decrease in advertising expenses in 2023, as a result of not having similar marketing campaigns like the FIFA World Cup sponsorship in 2022, was largely offset by an increase in employee-related expenses.

Research and development expenses

Our research and development expenses increased by 30.5% from RMB1.2 billion in 2022 to RMB1.5 billion in 2023, which was primarily due to increased employee-related expenses as well as increased investments in technology.

General and administrative expenses

Our general and administrative expenses increased by 12.8% from RMB719.7 million in 2022 to RMB811.8 million in 2023, which was mainly due to increased share-based compensation expenses, partially offset by decreased professional service fees.

Income/(Loss) from operations

As a result of the foregoing, we recorded an income from operations of RMB581.0 million in 2023, as compared to loss from operations of RMB129.5 million in 2022.

Interest and investment income

Our interest and investment income increased by 167.9% from RMB226.5 million in 2022 to RMB606.8 million in 2023, primarily attributable to increases in time deposits and investments in financial products in 2023.

Income tax expenses

We accrued income tax expenses of RMB122.6 million in 2023, as compared to RMB9.8 million in 2022.

Net income

We recorded net income of RMB1.1 billion in 2023, as compared to RMB107.2 million in 2022.

Taxation

Cayman Islands

The Cayman Islands currently levies no taxes on corporations based upon profits, income, gains, or appreciation. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or brought within the jurisdiction of, the Cayman Islands. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Hong Kong

Our subsidiary in Hong Kong is subject to 16.5% Hong Kong profit tax for its taxable income earned. Additionally, payments of dividends by our subsidiary in Hong Kong to our company are not subject to any Hong Kong withholding tax. No provision for Hong Kong profits tax was made as we had no estimated assessable profit that was subject to Hong Kong profits tax during 2022, 2023 and 2024.

PRC

Under the PRC Enterprise Income Tax Law effective from January 1, 2008, and amended on February 24, 2017 and December 29, 2018, our mainland China subsidiaries and the VIE are subject to the statutory rate of 25%, subject to preferential tax treatments available to qualified enterprises as stipulated under PRC tax laws and regulations.

Enterprises that qualify as "high and new technology enterprises" are entitled to a preferential rate of 15% for three years. Enterprises that qualify as "small low-profit enterprises" are entitled to a preferential rate of 20%.

Beijing Huapin Borui Network Technology Co., Ltd., which we refer to as the VIE, was certified as a "high and new technology enterprise" and accordingly was eligible for a preferential tax rate of 15% in each of 2022, 2023 and 2024. The preferential tax treatment continues as long as an enterprise can retain its "high and new technology enterprise" status. Our WFOE was subject to an enterprise income tax rate of 25% in each of 2022, 2023 and 2024.

If our company in the Cayman Islands or any of our subsidiaries outside of mainland China were deemed a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—If we are classified as a mainland China resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders."

We are subject to value-added tax at a rate of approximately 3% for small-scale-value-added-tax-payer entities or 6% for general-value-added-tax-payer entities on the services and solutions we provide to our customers, less any deductible value-added tax we have already paid or borne in accordance with laws of mainland China. We are also subject to surcharges on value-added tax payments in accordance with laws of mainland China.

Pursuant to the PRC Enterprise Income Tax Law, a 5% or 10% withholding tax is levied on dividends declared to our intermediary holding company in Hong Kong from mainland China effective from January 1, 2008. See "Item 3. Key Information— D. Risk Factors—Risks Relating to Doing Business in China—We may not be able to obtain certain benefits on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary."

B. Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from operations and cash generated from historical equity financing activities. As of December 31, 2024, our cash and cash equivalents, short-term time deposits and short-term investments totaled RMB14.7 billion (US$2.0 billion), with RMB3.5 billion (US$485.3 million) net cash provided by operating activities for 2024. We believe that our current cash balance will be sufficient to meet our current and anticipated working capital requirements and capital expenditures for at least the next twelve months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we identify and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions.

Although we consolidate the results of the VIE, we only have access to the assets or earnings of the VIE through our contractual arrangements with the VIE and its shareholders. See "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIE and Its Shareholders." For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see "—Holding Company Structure."

As a Cayman Islands exempted company and offshore holding company, we are permitted under laws and regulations of mainland China to provide funding to our mainland China subsidiaries only through loans or capital contributions, subject to the filing, approval or registration of government authorities and limits on the amount of loans. This may delay us from making loans or capital contributions to our mainland China subsidiaries and the VIE. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—PRC regulation of loans to and direct investment in entities in mainland China by offshore holding companies and governmental control of currency conversion may delay or prevent us from making loans or additional capital contributions to our mainland China subsidiaries and the VIE, which could materially and adversely affect our liquidity and our ability to fund and expand our business."

The following table sets forth a summary of our cash flows for the periods presented:

	For the Year Ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US$
	(in thousands)			
Net cash provided by operating activities	1,003,042	3,047,009	3,542,495	485,320
Net cash used in investing activities	(2,816,581)	(9,938,645)	(2,016,899)	(276,314)
Net cash used in financing activities	(669,232)	(417,022)	(1,460,539)	(200,093)
Effect of exchange rate changes on cash and cash equivalents	892,837	29,793	15,074	2,065
Net (decrease)/increase in cash and cash equivalents	**(1,589,934)**	**(7,278,865)**	**80,131**	**10,978**
Cash and cash equivalents at beginning of the year	11,341,758	9,751,824	2,472,959	338,794
Cash and cash equivalents at end of the year	**9,751,824**	**2,472,959**	**2,553,090**	**349,772**

Operating activities

Net cash provided by operating activities in 2024 was RMB3.5 billion (US$485.3 million). The difference between this net cash provided by operating activities and net income of RMB1.6 billion (US$214.7 million) in the same period was due to adjustments for non-cash items that primarily include share-based compensation expenses of RMB1.1 billion (US$156.7 million), depreciation and amortization expenses of long-lived assets of RMB501.9 million (US$68.8 million), and amortization of right-of-use assets of RMB184.6 million (US$25.3 million), as well as cash released from a decrease in working capital mainly resulting from an increase of RMB289.5 million (US$39.7 million) in deferred revenue, a decrease of RMB133.8 million (US$18.3 million) in prepayments and other current assets, partially offset by a decrease of RMB180.5 million (US$24.7 million) in operating lease liabilities.

Net cash provided by operating activities in 2023 was RMB3.0 billion. The difference between this net cash provided by operating activities and net income of RMB1.1 billion in the same period was due to adjustments for non-cash items that primarily include share-based compensation expenses of RMB1.1 billion, unrealized interest and investment income of RMB288.0 million, depreciation and amortization expenses of long-lived assets of RMB258.8 million, and amortization of right-of-use assets of RMB169.1 million, as well as cash released from a decrease in working capital mainly resulting from an increase of RMB733.2 million in deferred revenue, a decrease of RMB123.9 million in prepayments and other current assets, partially offset by a decrease of RMB170.8 million in operating lease liabilities.

Net cash provided by operating activities in 2022 was RMB1.0 billion. The difference between this net cash provided by operating activities and net income of RMB107.2 million in the same period was due to adjustments for non-cash items that primarily include share-based compensation expenses of RMB692.2 million, amortization of right-of-use assets of RMB147.3 million, and depreciation and amortization expenses of long-lived assets of RMB140.1 million, as well as cash used for an increase in working capital mainly resulting from a decrease of RMB143.7 million in operating lease liabilities, partially offset by an increase of RMB102.3 million in deferred revenue.

Investing activities

Net cash used in investing activities in 2024 was RMB2.0 billion (US$276.3 million), primarily consisting of purchases of time deposits of RMB6.1 billion (US$838.0 million), purchases of short-term and long-term investments of RMB10.4 billion (US$1.4 billion) and purchases of property, equipment and software of RMB856.0 million (US$117.3 million), partially offset by maturities of time deposits of RMB7.6 billion (US$1.0 billion) and maturities of short-term and long-term investments of RMB7.9 billion (US$1.1 billion).

Net cash used in investing activities in 2023 was RMB9.9 billion, primarily consisting of purchases of time deposits of RMB9.7 billion, purchases of short-term and long-term investments of RMB9.6 billion and purchases of property, equipment and software of RMB955.5 million, partially offset by maturities of time deposits of RMB4.0 billion and maturities of short-term and long-term investments of RMB6.3 billion.

Net cash used in investing activities in 2022 was RMB2.8 billion, primarily consisting of purchases of time deposits of RMB746.6 million, purchases of short-term investments of RMB4.5 billion and purchases of property, equipment and software of RMB340.1 million, partially offset by maturities of short-term investments of RMB2.7 billion.

Financing activities

Net cash used in financing activities in 2024 was RMB1.5 billion (US$200.1 million), primarily attributable to the repurchase of ordinary shares of RMB1.7 billion (US$226.3 million), partially offset by proceeds from the exercise of share-based awards of RMB191.3 million (US$26.2 million).

Net cash used in financing activities in 2023 was RMB417.0 million, primarily attributable to the payment of dividends of RMB562.9 million and the repurchase of ordinary shares of RMB71.8 million, partially offset by proceeds from the exercise of share-based awards of RMB217.7 million.

Net cash used in financing activities in 2022 was RMB669.2 million, primarily attributable to the repurchase of ordinary shares of RMB918.9 million, partially offset by proceeds from the exercise of share-based awards of RMB249.7 million.

Capital expenditures

Our capital expenditures primarily consist of purchases of servers and other electronic equipment. We incurred capital expenditures of RMB340.1 million, RMB955.5 million and RMB856.0 million (US$117.3 million) in 2022, 2023 and 2024, respectively. We plan to continue to incur capital expenditures in the future to meet our business growth.

Material cash requirements

Our material cash requirements as of December 31, 2024 primarily include operating lease obligations and advertising commitments.

Our operating lease obligations primarily represent our obligations under the lease agreements for our office premises. Advertising commitments relate to purchase obligations for advertising services. We intend to fund our existing and future material cash requirements primarily with our existing cash balance and anticipated cash flows from operations.

The following table sets forth our contractual obligations as of December 31, 2024:

		Payment Due by Period			
	Total	Less than 1 year	1–3 years	3–5 years	More than 5 years
		(in RMB thousands)			
Operating lease obligations	318,777	186,825	110,968	20,647	337
Advertising commitments	39,584	38,765	819	—	—

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We do not have retained or contingent interests in assets transferred. We have not entered into contractual arrangements that support the credit, liquidity or market risk for transferred assets. We do not have obligations that arise or could arise from variable interests held in an unconsolidated entity, or obligations related to derivative instruments that are both indexed to and classified in our own equity, or not reflected in the statement of financial position.

Except for those disclosed above, we did not have any significant capital or other commitments, long-term obligations, or guarantees as of December 31, 2024.

Holding Company Structure

KANZHUN LIMITED is a holding company with no material operations of its own. We conduct our operations primarily through our mainland China subsidiaries and the VIE in mainland China. As a result, KANZHUN LIMITED's ability to pay dividends depends upon dividends paid by our mainland China subsidiaries. If our existing mainland China subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in mainland China are permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under laws of mainland China, each of our mainland China subsidiaries and the VIE and its subsidiaries is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of their registered capital. In addition, our wholly foreign-owned subsidiaries in mainland China and the VIE and its subsidiaries may allocate a portion of its after-tax profits based on PRC accounting standards to a surplus fund at their discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of mainland China is subject to examination by the banks designated by the SAFE. Our mainland China subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

C. Research and Development, Patents and Licenses, etc.

See "Item 4. Information on the Company—B. Business Overview—Research and Technology," and "Item 4. Information on the Company—B. Business Overview—Intellectual Properties."

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the period since January 1, 2025 that are reasonably likely to have a material and adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. Actual results could differ from these estimates. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. On an on-going basis, we evaluate our estimates and may make changes accordingly.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. For a detailed discussion of our critical accounting estimates and significant accounting policies, please see "Note 2—Summary of Significant Accounting Policies" of the consolidated financial statements included in this annual report.

Fair value of share options

We granted share options to our employees, directors and consultants. We used a binomial option pricing model to determine the fair value of the awarded share options, which is to be expensed over the vesting period.

Significant estimates and assumptions, including fair value of ordinary shares on the grant date, risk-free interest rate, expected term, expected dividend yield, expected volatility and expected early exercise multiple are made.

Key assumptions are set forth as follows:

- Fair value of ordinary shares on the grant date—The fair value of the ordinary share prior to our initial public offering in the United States of America was estimated based on the following assumptions:
  - Weighted average cost of capital, or WACC: The WACC was determined in consideration of factors including risk-free rate, comparative industry risk, equity risk premium, company size and non-systematic risk factors.
  - Discount for lack of marketability, or DLOM: The DLOM was quantified by the protective put options mode. Under this option-pricing method, which assumed that the put option is struck at the price of the stock before the privately held shares can be sold, the cost of the put option was considered as a basis to determine the DLOM.
- Risk-free interest rate: The risk-free rate was estimated based on the market yield of U.S. Treasury with a maturity life that corresponds with the expected term.
- Expected term: Expected term is the contractual life of the options.
- Expected dividend yield: We have no history of paying cash dividends on our ordinary shares and do not expect to pay dividends in the foreseeable future.
- Expected volatility: Expected volatility was estimated based on the average volatility of comparable companies in the same industry. The volatility of each comparable company was based on the historical daily stock prices for a period with length commensurate to the remaining maturity life of the share options.
- Expected early exercise multiple: Expected early exercise multiple was estimated by reference to a widely accepted academic research publication.

Business acquisitions

We account for business acquisitions using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*.

The consideration transferred in an acquisition is measured as the aggregate of the fair value of the assets transferred, liabilities incurred and equity instruments issued as of the acquisition date. Identifiable assets and liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of total consideration paid, fair value of any non-controlling interest and the acquisition-date fair value of any previously held equity interest in the subsidiary acquired over the fair value of the identifiable net assets acquired is recorded as goodwill.

The application of the acquisition method of accounting requires making significant estimates and assumptions to determine the fair value of assets acquired and liabilities assumed as of the acquisition date, which include, but are not limited to, projected future revenues, forecasted cash flows and discount rates. These estimates and assumptions made are believed to be reasonable, but are inherently uncertain. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of these estimates and assumptions, and actual results may differ from estimates.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors.

Directors and Executive Officers	Age	Position/Title
Peng Zhao	54	Chairman of the Board of Directors and Chief Executive Officer
Yu Zhang	47	Director and Chief Financial Officer
Xu Chen	49	Director and Chief Marketing Officer
Tao Zhang	43	Director and Chief Technology Officer
Xiehua Wang	37	Director and Vice President of Product
Haiyang Yu	41	Director
Yonggang Sun	54	Independent Director
Yan Li	54	Independent Director
Mengyuan Dong	38	Independent Director

Mr. *Peng Zhao* is the Founder of our company and has been our chairman of the board and chief executive officer since our inception. He founded our company and has guided our development and growth since then. Mr. Zhao has more than 20 years of experience in the internet industry and more than 26 years of experience in human resources services. He was an investor and took on a senior management role of Quickerbuy Inc., a service e-commerce platform, from 2011 to 2013. From May 2005 to July 2010, Mr. Zhao was at Zhaopin Ltd., a leading online recruitment platform, where he eventually became chief executive officer. From July 1994 to May 2005, Mr. Zhao devoted his time to youth development research and volunteer projects in social organizations and took on various roles in those organizations including the China Youth Volunteers Association. Mr. Zhao received his bachelor's degree in law from Peking University in 1994.

Mr. *Yu Zhang* has served as our Chief Financial Officer since September 2019 and as our director since May 2021. Mr. Zhang is in charge of the capital markets activities, accounting and internal control functions of our Group. Mr. Zhang has over 19 years of research and investment experience in the technology, media and telecom industry. Prior to joining us, Mr. Zhang worked at UBS from April 2010 to August 2019, with his last position being the managing director of asset management division. Mr. Zhang worked at BDA from January 2005 to April 2010, with his last position being a director of the company, and an engineer at Ericsson from April 2001 to January 2005. Mr. Zhang graduated from Beijing University of Posts and Telecommunications in 2000.

Mr. *Xu Chen* has served as our Chief Marketing Officer since December 2016 and as our director since May 2021, and is in charge of the marketing, platform operation and public relations functions of our Group. Mr. Chen has over 24 years of experience in marketing in the Greater China region. Prior to joining us, Mr. Chen was the vice president at Jiuxianwang, a China-based e-commerce company, from November 2015 to November 2016. Mr. Chen received his bachelor's degree from Beijing Wuzi University.

Mr. *Tao Zhang* has served as our Chief Technology Officer since our inception and as our director since May 2021, and is in charge of our research and development and IT infrastructure of our Group. Mr. Zhang has over 18 years of experience in the software engineering and internet industry. Prior to joining us, Mr. Zhang served in various companies, including group companies of IBM, Renren Inc., a China-based social media platform, and Baidu Inc., one of the leading Chinese language Internet search service providers. Mr. Zhang received his bachelor's degree from Beijing Information Engineering College (which was merged with Beijing Institute of Machinery and renamed Beijing Information Science and Technology University in 2008) and master's degree from Beihang University.

Ms. *Xiehua Wang* is currently our vice president of product. She has served as our director since April 2022. Ms. Wang has over 12 years of experience in product management in internet companies. Prior to joining us, Ms. Wang was a senior product manager of Lianjia (currently known as KE Holdings Inc.), a leading housing transactions and services platform in China. Ms. Wang worked at a group company of Baidu Inc. from June 2013 to April 2016, with her last position being the senior product designer, and worked at a group company of Renren Inc. from July 2012 to May 2013. Ms. Wang received her bachelor's and master's degrees from Communication University of China.

Mr. *Haiyang Yu* has served as our director since July 2019. Mr. Yu is currently a vice general manager of Tencent Investment, a director of DouYu International Holdings Ltd (Nasdaq: DOYU) and a director of Waterdrop Inc. (NYSE: WDH). Prior to joining Tencent Holdings Limited in August 2011, Mr. Yu worked as a senior associate at WI Harper Group from March 2010 to August 2011. Prior to that, Mr. Yu worked as an associate at China Growth Capital from April 2007 to February 2010. Mr. Yu received his bachelor of engineering degree majoring in civil engineering from Tsinghua University in 2005.

Mr. *Yonggang Sun* has served as our independent director since June 2021. Mr. Sun currently serves as a partner of Z-Park Fund. Prior to joining Z-Park Fund, Mr. Sun served as the vice president of Capital Steel Group Co., Ltd. and the general counsel of China Tietong Group Co., Ltd. Mr. Sun received his bachelor's degree in law from Renmin University of China in 1993 and his LL.M. degree from Temple University in 2003.

Mr. *Yan Li* has served as our independent director since October 2023. Mr. Li is a seasoned strategic expert with over 21 years of experience in management services, which span across various business sectors, including intellectual property rights protection and technology development. Mr. Li currently serves as the general manager of Metis IP, a company which provides intellectual property rights related services. Prior to joining Metis IP, Mr. Li was formerly the director and general manager of Beijing Runqian Information System Technology Co., Ltd., a PRC-based technology and software development company, from January 2006 to January 2016. Prior to that, Mr. Li was the division general manager of China International Electronic Commerce Center, a China-based nationwide provider of e-commerce services and infrastructure, from November 2000 to June 2002. Mr. Li received his bachelor's degree in science from Peking University in June 1994.

Ms. *Mengyuan Dong* has served as our independent director since May 2024. Ms. Dong is a financing and investment expert with over 13 years of experience in capital market industry. Ms. Dong previously held the position of a director at Huaxing Growth Capital from July 2022 to May 2024, during which she was responsible for research and investment initiatives across multiple business sectors, including consumer, internet, social media, healthcare, and property management. Prior to that, Ms. Dong worked in the financial advisory and investment banking departments at China Renaissance Holdings Limited from October 2012 to July 2022, with her last position being a director. Ms. Dong also worked as a public relations manager at Hill & Knowlton (China) Public Relations Co., Ltd. from July 2008 to March 2011. Ms. Dong received her Bachelor of Arts degree from Fudan University in July 2008.

B. Compensation

Compensation of Directors and Executive Officers

In 2024, we paid or accrued an aggregate of approximately RMB25.7 million (US$3.5 million) in cash to our directors and executive officers as a group, and an aggregate of RMB1.7 million (US$0.2 million) in cash compensation to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers. Our mainland China subsidiaries and the VIE and its subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, maternity insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon 60-day advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as may be agreed between the executive officer and us. The executive officer may resign at any time with a 60-day advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our users or prospective users, or the confidential or proprietary information of any third-party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for two years following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, direct or end users or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the employment or services of, or hire or engage, any person who is known to be employed or engaged by us; or (iv) otherwise interfere with our business or accounts. We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Share Incentive Plan 2020

Share Incentive Plan

Our 2020 Share Incentive Plan was adopted in September 2020 and amended and restated in May 2021. The maximum aggregate number of ordinary shares that may be issued under the 2020 Share Incentive Plan is 145,696,410, and it will be increased on the first day of each fiscal year by 1.5% of our total number of issued and outstanding shares on an as-converted basis on the last day of the immediately preceding calendar year; after five of such automatic annual increases, our board of directors will determine the amount of annual increases, if any, to the maximum number of ordinary shares issuable under the 2020 Share Incentive Plan. Our company has undertaken not to grant any further awards pursuant to the 2020 Share incentive Plan after the Listing on the Main Board of the Hong Kong Stock Exchange. As of February 28, 2025, options to purchase a total of 44,234,784 of our Class A ordinary shares and restricted share units to receive a total of 8,137,752 of our Class A ordinary shares were outstanding under the 2020 Share Incentive Plan.

The following paragraphs summarize the principal terms of the 2020 Share Incentive Plan.

Type of Awards.

The 2020 Share Incentive Plan permits the awards of options, restricted share purchase rights, share appreciation rights and restricted shares.

Plan Administration.

Our compensation committee administers the 2020 Share Incentive Plan.

Award Agreement.

Awards granted under the 2020 Share Incentive Plan are evidenced by a stock option agreement, restricted share purchase agreement or share award agreement, as applicable, that sets forth the terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event that the awardee's employment or service terminates, and our authority to unilaterally or bilaterally modify or amend the award.

Eligibility.

We may grant awards to our employees, directors and consultants. However, incentive share options may be granted to our employees and employees of any of our subsidiaries only.

Vesting Schedule.

In general, the plan administrator determines the vesting schedule, which is specified in the award agreement.

Exercise of Awards.

The plan administrator determines the exercise or purchase price, as applicable, and the time or times of exercise, for each award, which are stated in the award agreement. However, the maximum exercisable term is ten years from the date of grant.

Transfer Restrictions.

Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the 2020 Share Incentive Plan or the award agreement or otherwise determined by the plan administrator, such as transfers by will or the laws of descent and distribution.

Termination and Amendment.

Unless terminated earlier, the 2020 Share Incentive Plan has a term of ten years from its date of effectiveness. Our board of directors may at any time amend, alter, suspend, or terminate the 2020 Share Incentive Plan and shall obtain shareholder approval of any plan amendment to the extent necessary to comply with or stock exchange rules, unless we decide to follow home country practice. However, no such action may adversely impair the rights of any awardee with respect to any outstanding award unless mutually agreed otherwise between the awardee and the plan administrator.

Post-IPO Share Scheme

Our Post-IPO Share Scheme was adopted in December 2022. As of February 28, 2025, the maximum aggregate number of ordinary shares that may be granted under the Post-IPO Share Scheme is 55,655,166. As of February 28, 2025, options to purchase a total of 120,000 of our Class A ordinary shares and share awards in the form of restricted share units to receive a total of 23,247,816 of our Class A ordinary shares were outstanding under the Post-IPO Share Scheme.

The following paragraphs summarize the principal terms of the Post-IPO Share Scheme.

Plan Administration.

The chairperson of the board acts as the scheme administrator. The scheme administrator has the power to offer or grant awards and to determine the terms and conditions of such awards. The scheme administrator can delegate the authority to administer the Post-IPO Share Scheme to any other persons deemed appropriate at the sole discretion of the scheme administrator.

Limits on Grant of Awards.

Unless approved by the shareholders, the total number of Class A ordinary shares issued and to be issued upon exercise of awards granted and to be granted under the Post-IPO Share Scheme and any other share schemes of our company to each eligible participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Eligibility.

We may grant awards to employees (whether full-time or part-time), directors and officers of any member of our Group or any company which is an associate of our company.

Award Letter.

For each award, we will issue a letter to each grantee on the grant date in such form as the scheme administrator may determine. The letter will set out the terms and conditions of the award, which may include the number of Class A ordinary shares in respect of which the award relates, the issue price or exercise price (as applicable), the vesting criteria and conditions, the vesting date, any minimum performance targets that must be achieved and any such other details as the scheme administrator may consider necessary, and requiring the grantee to undertake to hold the award on the terms of the award letter and be bound by the provisions of the Post-IPO Share Scheme.

Vesting Schedule.

The scheme administrator may in respect of each award and subject to all applicable laws, rules and regulations, determine the applicable vesting dates and/or any other criteria and conditions for vesting in its sole and absolute discretion. The vesting period for options and awards shall not be less than 12 months from the grant date, except that any options or awards granted to an employee may be subject to a shorter vesting period under certain circumstances as set out in the Post-IPO Share Scheme.

Termination and Amendment.

The Post-IPO Share Scheme shall terminate on the earlier of (a) ten years from December 22, 2022; and (b) such date of early termination as determined by the board. The board may subject to the rules of the Post-IPO Share Scheme amend any of the provisions of the Post-IPO Share Scheme or any awards granted under the Post-IPO Share Scheme at any time and in any respect, provided that the terms of this Scheme or the awards so altered must comply with the requirements of the Hong Kong Listing Rules.

The following table summarizes, as of February 28, 2025, the number of ordinary shares underlying outstanding options and restricted share units we granted to our directors and executive officers.

Name	Ordinary Shares Underlying Options and outstanding Restricted Share Units	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Yu Zhang	8,957,750	-~5.33	May 18, 2019 to December 3, 2022	May 18, 2029 to December 3, 2032
Xu Chen	*	-~3.0807	August 1, 2018 to December 3, 2022	August 1, 2028 to December 3, 2032
Tao Zhang	*	-~3.0807	October 16, 2020 to March 27, 2023	October 16, 2030 to March 27, 2033
Xiehua Wang	*	-~3.0807	December 20, 2018 to June 15, 2022	December 20, 2028 to June 15, 2032
Yonggang Sun	*	-~0.0001	July 10, 2021 to June 15, 2023	July 10, 2031 to June 15, 2033
Yan Li	*	—	December 15, 2023	December 15, 2033
Mengyuan Dong	*	—	June 15, 2024	June 15, 2034
All directors and executive officers as a group	11,758,590	—		

Note:

* Less than 1% of our total ordinary shares issued and outstanding as of February 28, 2025.

As of February 28, 2025, our consultants and employees other than directors and executive officers hold options and restricted share units to purchase 63,981,762 Class A ordinary shares. The weighted average exercise price for the options granted to our consultants and employees other than directors and executive officers as of February 28, 2025 was US$3.4938 per share.

C. Board Practices

Board of Directors

Our board of directors consists of nine directors. A director is not required to hold any shares in our company by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with our company is required to declare the nature of his or her interest at a meeting of our directors. Subject to the Nasdaq rules and disqualification by the chairperson of the relevant board meeting, a director may vote with respect to any contract or transaction, or proposed contract or transaction notwithstanding that he or she may be interested therein, and if he or she does so his or her vote shall be counted and he or she may be counted in the quorum at any meeting of our directors at which any such contract or transaction or proposed contract or transaction is considered. Our directors may exercise all the powers of our company to raise or borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, and to issue debentures or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third-party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service. We ask all of our directors to complete self-assessment forms to assess the performance of the board of directors as a group.

Committees of the Board of Directors

We have established four committees under the board of directors: an audit committee, a compensation committee, a nomination committee and a corporate governance committee. We have adopted a charter for each of the four committees. Each committee's members and functions are described below.

Audit committee

Our audit committee consists of Mengyuan Dong, Yonggang Sun and Yan Li. Mengyuan Dong is the chairperson of our audit committee. We have determined that Mengyuan Dong, Yonggang Sun and Yan Li satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market and Rule 10A-3 under the Exchange Act. We have determined that Mengyuan Dong qualifies as an "audit committee financial expert." Our audit committee is also in compliance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance; and
- assuming other duties and responsibilities as required under the Nasdaq Stock Market Rules and the Hong Kong Listing Rules.

Compensation committee

Our compensation committee consists of Yonggang Sun, Mengyuan Dong and Peng Zhao. Yonggang Sun is the chairperson of our compensation committee. We have determined that Yonggang Sun and Mengyuan Dong satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. Our compensation committee is also in compliance with Rule 3.25 of the Hong Kong Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nomination committee

Our nomination committee consists of Yan Li, Yonggang Sun and Peng Zhao. Yan Li is the chairperson of our nomination committee. We have determined that Yan Li and Yonggang Sun satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. Our nomination committee is also in compliance with Rule 3.27A of the Hong Kong Listing Rules, the requirements in respect of nomination committees in the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and Chapter 8A of the Hong Kong Listing Rules. The nomination committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nomination committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Corporate governance committee

Our corporate governance committee consists of Yan Li, Yonggang Sun and Mengyuan Dong. Yan Li is the chairperson of our corporate governance committee. We have determined that Yan Li, Yonggang Sun and Mengyuan Dong satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. Our corporate governance committee is also in compliance with the requirements in the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and Chapter 8A of the Hong Kong Listing Rules. The corporate governance committee ensures that we are operated and managed for the benefit of all shareholders and to ensure our company's compliance with the Nasdaq Stock Market Rules and Hong Kong Listing Rules and safeguards relating to our weighted voting rights structures, and develop and recommend to the board a set of corporate governance guideline. The corporate governance committee is responsible for, among other things:

- developing and reviewing periodically the corporate governance principles adopted by the board to assure that they are appropriate for our company and comply with the requirements of Nasdaq and the Hong Kong Stock Exchange, and recommend any desirable changes to the board;
- reviewing and monitoring the training and continual professional development of directors and senior management; and
- reviewing and monitoring our policies and practices on compliance with legal and regulatory requirements.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings and reporting its work to shareholders at such meetings, and as a Cayman Islands exempted company, we are not required to hold annual elections of directors;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our register of members.

Terms of Directors and Officers

Our directors may be elected by the affirmative vote of a simple majority of our board of directors present and voting at a board meeting, or by an ordinary resolution of our shareholders. One-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years. A director may be removed from office by an ordinary resolution of our shareholders. In addition, a director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his or her creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his or her office by notice in writing to our company, or (iv) is removed from office pursuant to any other provision of our articles of association.

Our officers are appointed by and serve at the discretion of the board of directors, and may be removed by our board of directors.

Board Diversity Matrix

Board Diversity Matrix (As of February 28, 2025)	
Country of Principal Executive Offices	PRC
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	9

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	2	7	—	—
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction			—	
LGBTQ+			—	
Did Not Disclose Demographic Background			—	

D. Employees

We had a total of 5,688, 5,346 and 5,602 full-time employees as of December 31, 2024, 2023 and 2022, respectively. Most of the employees are located in mainland China. The following table sets forth the number of our full-time employees as of December 31, 2024, by function:

Function	Number
Sales and marketing	2,894
Research and development	1,331
Operations	1,008
General administration	455
Total	**5,688**

Our success depends on our ability to attract, motivate, train and retain qualified employees. As part of our retention strategy, we offer employees competitive salaries, incentive share grants and other incentives. In order to maintain a competitive edge, we will continue to focus on attracting and retaining qualified professionals by providing an incentive-based and market-driven compensation structure that rewards performance and results.

Under laws of mainland China, we participate in various employee social security plans that are organized by municipal and provincial governments for our mainland China-based employees, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident fund. We are required under laws of mainland China to make contributions to employee benefit plans occasionally for our mainland China-based employees at specified percentages of their salaries, bonuses and certain allowances of such employees, up to a maximum amount specified by local governments in mainland China. We are committed to the education, recruitment, development and advancement our team members. In addition to regular on-the-job training, we have established a comprehensive system for employee development, covering leadership, technology, regulatory, and others. Our comprehensive training program includes corporate culture, employee rights and responsibilities, team building, professional behavior, job performance, management skills, leadership, and administrative decision-making.

We typically enter into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics and non-competition with our senior management and core personnel. These contracts typically include a non-competition provision and a confidentiality provision effective during and after their employment. We believe that we maintain a good working relationship with our employees, and we did not experience any material labor disputes or work stoppages or any difficulty in recruiting staff for our operations in the past.

E. Share Ownership

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares on an as-converted basis as of February 28, 2025 by:

- each of our directors and executive officers; and
- each of our principal shareholders who beneficially own 5% or more of our total issued and outstanding shares.

The calculations in the table below are based on 731,041,005 Class A ordinary shares and 138,430,401 Class B ordinary shares issued and outstanding as of February 28, 2025.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned				
	Class A ordinary Shares	**Class B ordinary Shares**	**Total ordinary shares on an as converted basis**	**%**	**% of aggregate voting power**
Directors and Officers:**					
Peng Zhao[(1)]	—	138,430,401	138,430,401	15.9	65.4
Yu Zhang	*	—	*	*	*
Xu Chen	*	—	*	*	*
Tao Zhang	*	—	*	*	*
Xiehua Wang	*	—	*	*	*
Haiyang Yu	—	—	—	—	—
Yonggang Sun	*	—	*	*	*
Yan Li	*	—	*	*	*
Mengyuan Dong	*	—	*	*	*
All directors and officers as a group	13,998,282	138,430,401	152,428,683	17.3	65.8
Principal Shareholders:					
TECHWOLF LIMITED[(1)]	—	138,430,401	138,430,401	15.9	65.4
Image Frame Investment (HK) Limited[(2)]	73,500,369	—	73,500,369	8.5	3.5

Notes:

* Less than 1% of our total ordinary shares on an as-converted basis outstanding as of February 28, 2025.

** Except as indicated otherwise below, the business address of our directors and executive officers is 21/F, GrandyVic Building, Taiyanggong Middle Road, Chaoyang District, Beijing 100020, People's Republic of China.

† For each person or group included in this column, percentage of total voting power represents voting power based on both Class A and Class B ordinary shares held by such person or group with respect to all outstanding shares of our Class A and Class B ordinary shares as a single class. Each holder of our Class A ordinary shares is entitled to one vote per share. Each holder of our Class B ordinary shares is entitled to 10 votes per share, subject to certain exceptions. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

(1) Represents 138,430,401 Class B ordinary shares held by TECHWOLF LIMITED, a British Virgin Islands company. The entire interest in TECHWOLF LIMITED is held by a trust established by Mr. Peng Zhao as the settlor for the benefit of Mr. Zhao and his family. The registered office address of TECHWOLF LIMITED is Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands.

(2) Represents 73,500,369 Class A ordinary shares held by Image Frame Investment (HK) Limited, a company incorporated in Hong Kong. Image Frame Investment (HK) Limited is a subsidiary of Tencent Holdings Limited, or Tencent, a public company listed on the Hong Kong Stock Exchange (HKSE: 0700). The registered address of Image Frame Investment (HK) Limited and Tencent Holding Limited is Level 29, Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong.

To our knowledge, as of February 28, 2025, an aggregate of 690,060,739 of our ordinary shares are held by record holders in the United States (including an aggregate of 690,060,738 ordinary shares held by Citibank, N.A., the depositary of our ADS program). We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of a registrant's action to recover erroneously awarded compensation.

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

See "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Contractual Arrangements with the VIE and Its Shareholders

See "Item 4. Information on the Company—C. Organizational Structure."

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation."

Share Incentive Plans

See "Item 6. Directors, Senior Management and Employees—B. Compensation."

Other Related Party Transactions

Transactions with Tencent affiliates.

Tencent Holdings Limited is one of our major beneficial owners. We purchase cloud services, online payment platform clearing services and other services from companies under the control of Tencent Holdings Limited. For the years ended December 31, 2022, 2023 and 2024, the expenses we incurred for such services amounted to RMB30.8 million, RMB28.6 million and RMB21.0 million (US$2.9 million), respectively.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal and Administrative Proceedings

From time to time, we have been involved in litigation, administrative proceedings or other disputes incidental to the conduct of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

We and certain of our officers and directors have been named as defendants in a putative securities class action filed on July 12, 2021 in the U.S. District Court for the District of New Jersey, captioned *Bell v. Kanzhun Limited et al, No. 2:21-cv-13543*. On March 4, 2022, the plaintiffs filed an amended complaint, purportedly brought on behalf of a class of persons who allegedly suffered damages as a result of their trading in our securities between June 11, 2021 and July 2, 2021. The action alleges that we made false and misleading statements regarding our business, operations and compliance practices in violation of Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. Briefing on our motion to dismiss was completed in July 2022. In September 2022, with the aid of a mediator, the parties reached a tentative agreement in principle to settle the case. On November 10, 2022, the court granted preliminary approval of the parties' settlement agreement, pursuant to which, without any admission or finding of any wrongdoing on the part of any of the defendants, the parties agreed that, in consideration of Kanzhun's payment of US$2.25 million, all actual and potential claims and causes of action that have been or could have been alleged against Kanzhun and the individual defendants (including the individuals mentioned above) are resolved and discharged and precluded from being raised again in any future action. On April 5, 2023, after holding a fairness hearing, the court granted final approval of the settlement and terminated the case.

Pursuant to an announcement posted by CAC, on July 5, 2021 relating to the cybersecurity review, our BOSS Zhipin app was required to suspend new user registration starting from the date thereof to cooperate with the cybersecurity review and prevent the expansion of risks. We have diligently provided our full cooperation in the national cybersecurity review, rigorously addressed the cybersecurity issues identified in the review process, and have taken comprehensive rectification measures. As approved by the Cybersecurity Review Office of the CAC, we have recommenced new user registration on our BOSS Zhipin app, effective from June 29, 2022. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our business is subject to complex and evolving laws and regulations in mainland China on data protection and cybersecurity. Any failure or perceived failure to comply with these laws and regulations could result in penalties, claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business" and "—We have been and may in the future be subject to legal proceedings during the course of our business operations. Our directors, management, shareholders and employees also have been and may in the future be subject to legal proceedings, which could adversely affect our reputation and results of operations."

Dividend Policy

In November 2023 our board of directors approved a special cash dividend in the amount of US$0.09 per Class A ordinary share, or US$0.18 per ADS. The aggregate amount of the dividend was approximately US$79.2 million.

Our board of directors has discretion on whether to distribute dividends from time to time. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be paid. Our company currently does not have a predetermined dividend payout ratio. Our board of directors may declare, and our company may pay, dividends after taking into account the results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as they may deem relevant.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in mainland China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our mainland China subsidiaries to pay dividends to us. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Dividend Distributions."

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the underlying Class A ordinary shares represented by the ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the underlying Class A ordinary shares represented by the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

B. Significant Changes

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offering and Listing Details

Our ADSs have been listed on the Nasdaq Global Select Market since June 11, 2021. Our ADSs trade under the symbol "BZ." Each ADS represents two of our Class A ordinary shares.

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since December 22, 2022 under the stock code "2076."

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed on the Nasdaq Global Select Market since June 11, 2021 under the symbol "BZ."

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since December 22, 2022 under the stock code "2076."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following are summaries of material provisions of our currently effective memorandum and articles of association and of the Companies Act (As Revised) of the Cayman Islands, or the Companies Act, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the Cayman Islands law.

Ordinary Shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of members (shareholders). We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion. Class B ordinary shares may be converted into the same number of Class A ordinary shares by the holders thereof at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. Class B ordinary shares shall only be held by Mr. Peng Zhao, our Founder, Chairman and Chief Executive Officer, or a "Director Holding Vehicle" as defined in our memorandum and articles of association. Subject to the Hong Kong Listing Rules or other applicable laws or regulations, each Class B ordinary share shall be automatically converted into one Class A ordinary share upon (a) the death of the holder of such Class B ordinary share (or, where the holder is a Director Holding Vehicle, the death of the Founder); (b) the holder of such Class B ordinary share ceasing to be a Director or a Director Holding Vehicle for any reason; (c) the holder of such Class B ordinary share (or, where the holder is a Director Holding Vehicle, the Founder) being deemed by The Stock Exchange of Hong Kong Limited to be incapacitated for the purpose of performing his or her duties as a director; (d) the holder of such Class B ordinary share (or, where the holder is a Director Holding Vehicle, the Founder) being deemed by The Stock Exchange of Hong Kong Limited to no longer meet the requirements of a director set out in the Hong Kong Listing Rules; or (e) any direct or indirect sale, transfer, assignment, or disposition of the beneficial ownership of, or economic interest in, such Class B ordinary share or the control over the voting rights attached to such Class B ordinary share through voting proxy or otherwise to any person, including by reason that a Director Holding Vehicle no longer complies with the Hong Kong Listing Rules, other than a transfer of the legal title to such Class B ordinary share by the Founder to a Director Holding Vehicle wholly-owned and wholly controlled by him or her, or by a Director Holding Vehicle to the Founder or another Director Holding Vehicle wholly-owned and wholly controlled by the Founder.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our directors). Our memorandum and articles of association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote by the members at any general meeting of our company. On a poll, each Class A ordinary share shall be entitled to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall be entitled to ten votes on all matters subject to the vote at general meetings of our company, save that each Class B ordinary share shall entitle its holder to one vote on a poll at a general meeting in respect of a resolution on (a) any amendment to our memorandum and articles of association, including the variation of the rights attached to any class of shares; (b) the appointment, election or removal of any independent non-executive director; (c) the appointment or removal of the auditors; or (d) the voluntary liquidation or winding-up of our company. Voting at any meeting of shareholders shall be decided on a poll, save that the chairperson of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Hong Kong Listing Rules to be voted on by a show of hands.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than three-fourths of the votes cast attaching to the outstanding ordinary shares at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we shall hold a general meeting as our annual general meeting for each financial year, to be held within six months (or such other period as may be permitted by the Hong Kong Listing Rules or The Stock Exchange of Hong Kong Limited) after the end of such financial year. The annual general meeting shall be specified in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by our chairperson or our board of directors (acting by a resolution of the Board). Advance notice of not less than 21 days is required for the convening of our annual general shareholders' meeting and advance notice of not less than 14 days is required for the convening of any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than 10% of all votes attaching to the issued and outstanding shares in our company entitled to vote at general meeting.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association provide that upon the requisition of any one or more of our shareholders who together hold shares which carry in aggregate not less than one-tenth of all votes attaching to the issued and outstanding shares of our company that as at the date of the deposit carry the right to vote at general meetings of our company, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out in our memorandum and articles of association as set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the Nasdaq Global Select Market may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three calendar months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the rules of the Nasdaq Global Select Market, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 calendar days in any calendar year.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the share capital, such assets shall be distributed so that, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any moneys unpaid on their shares in a notice served to such shareholders at least fourteen calendar days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined, before the issue of such shares, by either our board of directors or by our shareholders by an ordinary resolution. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders, provided that any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong from time to time in force. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time, our share capital is divided into different classes of shares, the rights attached to any class of shares, subject to any rights or restrictions for the time being attached to any class of shares, may be varied with the consent in writing of the holders of at least three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be varied by the creation, allotment or issue of further shares ranking pari passu with or subsequent to such existing class of shares or the redemption or purchase of any shares of any class by our company.

Issuance of Additional Shares. Our memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our memorandum and articles of association also authorize our board of directors to, subject to our memorandum and articles of association and compliance with the Hong Kong Listing Rules and the Takeovers Code, and on the conditions that (a) no new class of shares with voting rights superior to those of Class A ordinary shares will be created; and (b) any variations in the relative rights as between the different classes will not result in the creation of new class of shares with voting rights superior to those of Class A ordinary shares, establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

In addition, our company shall not issue any additional Class B ordinary shares, or any options, warrants or convertible securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any Class B ordinary shares other than in accordance with the provisions of our memorandum and articles of association.

Subject to the foregoing, our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Save that any register of members held in Hong Kong shall during normal business hours be open to inspection by a shareholder without charge and any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Hong Kong Listing Rules as our Board may determine for each inspection, holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (save for our memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders). However, we will provide our shareholders with annual audited financial statements.

Anti-Takeover Provisions. Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- subject to our memorandum and articles of association and compliance with the Hong Kong Listing Rules, authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and

- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;

- is not required to open its register of members for inspection;

- does not have to hold an annual general meeting;

- may issue shares with no par value;

- may obtain an undertaking against the imposition of any future taxation (such undertakings are given for a period of up to 30 years);

- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;

- may register as a limited duration company; and

- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Exclusive Forum. For the avoidance of doubt and without limiting the jurisdiction of the courts of the Cayman Islands and the courts of Hong Kong to hear, settle and/or determine disputes related to our company, the courts of the Cayman Islands and the courts of Hong Kong shall, to the exclusion of other jurisdictions, be the forum for (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of our company to our company or our shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Cayman Companies Act or our memorandum and articles of association including but not limited to any purchase or acquisition of shares, security or guarantee provided in consideration thereof, or (iv) any action asserting a claim against our company which if brought in the United States of America would be a claim arising under the internal affairs doctrine (as such concept is recognised under the laws of the United States from time to time).

Unless we consent in writing to the selection of an alternative forum, the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) shall be the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than us. Any person or entity purchasing or otherwise acquiring any share or other securities in our company, or purchasing or otherwise acquiring American depositary shares issued pursuant to deposit agreements, cannot waive compliance with the federal securities laws of the United States and the rules and regulations thereunder with respect to claims arising under the Securities Act and shall be deemed to have notice of and consented to this exclusive forum provision. Without prejudice to the foregoing, if this exclusive forum provision is held to be illegal, invalid or unenforceable under applicable law, the legality, validity or enforceability of the rest of articles of association shall not be affected and this exclusive forum provision shall be interpreted and construed to the maximum extent possible to apply in the relevant jurisdiction with whatever modification or deletion may be necessary so as best to give effect to our intention.

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act applicable to us and the comparable laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman Islands constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his or her shares upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of such dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by (a) 75% in value of the shareholders or class of shareholders, as the case may be, or (b) a majority in number representing 75% in value of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are, in each case, present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands, or the Grand Court. While a dissenting shareholder or creditor has the right to express to the court the view that the transaction ought not to be approved, the Grand Court will usually consider that the affected stakeholders (shareholders and/or creditors affected by the scheme) of the company are the best judges of their own commercial interests and will typically sanction the scheme provided that the prescribed procedures have been followed and the requisite statutory majorities have been achieved at the scheme meetings.

The Grand Court will typically consider the following factors in exercising its discretion as to whether to sanction the scheme:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class; and
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a takeover offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offer or on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a takeover offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, it is possible that a non-controlling shareholder may be permitted to commence a class action against and/or derivative actions in the name of the company to challenge:

- an act which is illegally or ultra vires with respect to the company and is therefore incapable of ratification by the majority shareholders;
- an act which constitutes an infringement of individual rights of shareholders, including, but not limited to the right to vote and pre-emption rights;
- the act which, although not ultra vires, requires authorization by a qualified (or special) majority (that is, more than a simple majority) which majority has not been obtained; and
- an act which constitutes a "fraud on the minority" where the wrongdoers are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association provide that that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including, without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders; provided that it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association allow any one or more of our shareholders holding shares which carry in aggregate not less than one-tenth of the total number votes attaching to all issued and outstanding shares of our company that as at the date of the deposit carry the right to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our memorandum and articles of association do not provide for cumulative voting.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders. A director will also cease to be a director if he (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing to our company; or (iv) is removed from office pursuant to any other provision of our articles of association.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of a company are required to comply with fiduciary duties which they owe to the company under Cayman Islands law, including the duty to ensure that, in their opinion, such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by either an order of the courts of the Cayman Islands or by the board of directors.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members in general meeting. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, if our share capital is divided into more than one class of shares, the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be varied with the consent in writing of the holders of at least three fourths of the voting rights of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially and adversely varied by the creation, allotment or issue of further shares ranking pari passu with or subsequent to them or the redemption or purchase of any shares of any class by our company.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Companies Act and our memorandum and articles of association, our memorandum and articles of association may only be amended by special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

C. Material Contracts

Other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" or "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" or elsewhere in this annual report, we have not entered into any material contract during the two years immediately preceding the date of this annual report.

D. Exchange Controls

See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Foreign Exchange."

E. Taxation

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws and interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to holders of our ordinary shares or ADSs levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares and ADSs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares or the ADSs, nor will gains derived from the disposal of our ordinary shares or the ADSs be subject to Cayman Islands income or corporation tax.

PRC Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of mainland China with a "de facto management body" within mainland China is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, production, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a mainland China -controlled enterprise that is incorporated offshore is located in mainland China. Although this circular only applies to offshore enterprises controlled by mainland China enterprises or mainland China enterprise groups, not those controlled by individuals or foreigners from mainland China, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a mainland China enterprise or a mainland China enterprise group will be regarded as a mainland China tax resident by virtue of having its "de facto management body" in mainland China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in mainland China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in mainland China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in mainland China; and (iv) at least 50% of the enterprise's voting board members or senior executives habitually reside in mainland China.

We believe that KANZHUN LIMITED is not a mainland China resident enterprise for mainland China tax purposes. KANZHUN LIMITED is a company incorporated outside of mainland China. KANZHUN LIMITED is not controlled by a mainland China enterprise or mainland China enterprise group, and we do not believe that KANZHUN LIMITED meets all of the conditions above. For the same reasons, we believe our other entities outside of mainland China are not mainland China resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the mainland China tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the mainland China government will ultimately take a view that is consistent with us.

If the PRC tax authorities determine that KANZHUN LIMITED is a mainland China resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including the ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within mainland China. It is unclear whether our non-mainland China individual shareholders (including the ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-mainland China individual shareholders in the event we are determined to be a mainland China resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20%. Any PRC tax imposed on dividends or gains may be subject to a reduction if a reduced rate is available under an applicable tax treaty. It is also unclear whether non-mainland China shareholders of KANZHUN LIMITED would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that KANZHUN LIMITED is treated as a mainland China resident enterprise.

Provided that our Cayman Islands holding company, KANZHUN LIMITED, is not deemed to be a mainland China resident enterprise, holders of the ADSs and ordinary shares who are not mainland China residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our ordinary shares or ADSs. However, under SAT Bulletin 7 and SAT Bulletin 37, where a non-resident enterprise conducts an "indirect transfer" by transferring taxable assets, including, in particular, equity interests in a mainland China resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the mainland China entity which directly owned such taxable assets may report such indirect transfer to the tax authorities. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to mainland China enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a mainland China resident enterprise. We and our non-mainland China resident investors may be at risk of being required to file a return and being taxed under SAT Bulletin 7 and SAT Bulletin 37, and we may be required to expend valuable resources to comply with SAT Bulletin 7 and SAT Bulletin 37, or to establish that we should not be taxed under these bulletins. See "Item 3. Key Information—Risk Factors—Risks Relating to Doing Business in China—We face uncertainty with respect to indirect transfers of equity interests in mainland China resident enterprises by their non-mainland China holding companies."

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by a U.S. Holder (as defined below) that holds our ADSs as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect, and there can be no assurance that the Internal Revenue Service (the "IRS") or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift or other non-income tax considerations, minimum tax, the Medicare tax on certain net investment income, or any state, local or non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations, such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- holders who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of our ADSs or ordinary shares (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding the ADSs or ordinary shares through such entities.

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of the ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of the ADSs or ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in or organized under the law of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the U.S. Internal Revenue Code of 1986.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding the ADSs or ordinary shares and their partners are urged to consult their tax advisors regarding an investment in the ADSs or ordinary shares.

For U.S. federal income tax purposes, a U.S. Holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of the ADSs will be treated in this manner. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive foreign investment company considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company's goodwill and other unbooked intangibles are taken into account. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat the VIE (including the VIE's subsidiaries) as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with them. As a result, we consolidate their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the VIE for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of the VIE for U.S. federal income tax purposes, we do not believe that we were a PFIC for the taxable year ended December 31, 2024 and do not expect to be a PFIC for the current taxable year or the foreseeable future. While we do not expect to be or become a PFIC, no assurance can be given in this regard because the determination of whether we will be or become a PFIC for any taxable year is a fact intensive determination made annually that depends, in part, upon the composition and classification of our income and assets. Fluctuations in the market price of our Class A ordinary shares and ADSs may cause us to be or become classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our Class A ordinary shares and ADSs from time to time (which may be volatile). If our market capitalization subsequently declines, we may be or become classified as a PFIC for the current taxable year or future taxable years. Furthermore, the composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of being or becoming classified as a PFIC may substantially increase.

If we are a PFIC for any year during which a U.S. Holder holds the ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds the ADSs or ordinary shares.

The discussion below under "—Dividends" and "—Sale or Other Disposition" is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, the PFIC rules discussed below under "—Passive Foreign Investment Company Rules" generally will apply to such U.S. Holder for such taxable year, and unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC.

Dividends

Any cash distributions (including the amount of any PRC tax withheld) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, the full amount of any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on our ADSs or ordinary shares will not be eligible for the dividends received deduction generally allowed to corporations. Dividends received by individuals and certain other non-corporate U.S. Holders may be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ADSs or ordinary shares on which the dividends are paid are readily tradeable on an established securities market in the United States, or, in the event that we are deemed to be a mainland China resident enterprise under the PRC tax law, we are eligible for the benefits of the United States-PRC income tax treaty (the "Treaty"), (2) we are neither a PFIC nor treated as such with respect to such a U.S. Holder for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Our ADSs (but not our ordinary shares) are listed on the Nasdaq Global Select Market and should qualify as readily tradeable on an established securities market in the United States, although there can be no assurance in this regard.

In the event that we are deemed to be a mainland China resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the Treaty. If we are eligible for such benefits, dividends we pay on our ordinary shares, regardless of whether such shares are represented by the ADSs, would be eligible for the reduced rate of taxation described in the preceding paragraph.

Dividends paid on our ADSs or ordinary shares, if any, will generally be treated as income from foreign sources and will generally constitute passive category income for U.S. foreign tax credit purposes. Depending on the U.S. Holder's individual facts and circumstances, a U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any nonrefundable foreign withholding taxes imposed on dividends received on our ADSs or ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign taxes withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and their outcome depends in large part on the U.S. Holder's individual facts and circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or other disposition

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of our ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes, which may limit the ability to receive a foreign tax credit. Long-term capital gain of individuals and certain other non-corporate U.S. Holders will generally be eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations. In the event that gain from the disposition of the ADSs or ordinary shares is subject to tax in mainland China, a U.S. Holder that is eligible for the benefits of the Treaty may treat such gain as mainland China-source gain under the Treaty. Pursuant to the Treasury Regulations (the applicability of which has been postponed until further guidance is issued), if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such U.S. Holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or ordinary shares. The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or deduction in light of their particular circumstances, including their eligibility for benefits under the Treaty and the potential impact of the Treasury Regulations.

Passive foreign investment company rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares;
- the amount allocated to the taxable year of the distribution or gain and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year") will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year; and
- an additional tax equal to the interest on the resulting tax deemed deferred will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, and any of our subsidiaries, our consolidated VIE or any subsidiary of our consolidated VIE is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, our consolidated VIE or any subsidiary of our consolidated VIE.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is regularly traded on a qualified exchange or other market, as defined in applicable Treasury Regulations. Our ADSs are listed on the Nasdaq Global Select Market, which is a qualified exchange, and our Class A ordinary shares are listed on the Hong Kong Stock Exchange, which should constitute a qualified exchange or other market. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs or Class A ordinary shares held at the end of the taxable year over the adjusted tax basis of such ADSs or Class A ordinary shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs or Class A ordinary shares over the fair market value of such ADSs or Class A ordinary shares held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs or Class A ordinary shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in a year when we are classified as a PFIC and we subsequently cease to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs or Class A ordinary shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because as a technical matter a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder that makes the mark-to-market election may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisors regarding the U.S. federal income tax consequences of owning and disposing of our ADSs or ordinary shares if we are or become a PFIC.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the internet at the SEC's website at *www.sec.gov*. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish Citibank, N.A., the depositary of the ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

In accordance with Nasdaq Stock Market Rule 5250(d), we will post this annual report on Form 20-F on our website at *http://ir.zhipin.com*. The information contained on our website or available through our website is not incorporated by reference into and should not be considered a part of this annual report, and any references to our website throughout this annual report are inactive textual references only.

In addition, we will provide hardcopies of our annual report free of charge to shareholders and ADS holders upon request.

I. Subsidiary Information

Not applicable.

J. Annual Report to Securities Holders

As an issuer listed on the Hong Kong Stock Exchange, we are required to publish an annual report for the fiscal year ended December 31, 2024, which we plan to furnish as an exhibit to a current report on Form 6-K via EDGAR to be filed on the same date of this annual report on Form 20-F. The information contained is not incorporated by reference into and should not be considered a part of this annual report.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Foreign exchange risk

Substantially all of our revenues and the majority of our expenses are denominated in RMB. The majority of our cash and cash equivalents, time deposits and short-term investments are denominated in U.S. dollars. We have not used any derivative financial instruments to hedge exposure to foreign currency exchange risk. However, we monitor our currency risk exposure by periodically reviewing foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in the ADSs will be affected by the exchange rate between U.S. dollar and RMB because the value of our business is effectively denominated in RMB, while the ADSs will be traded in U.S. dollars.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amounts available to us.

As of December 31, 2024, we had RMB-denominated cash and cash equivalents, short-term time deposits and short-term investments of RMB6.7 billion, and U.S. dollar-denominated cash and cash equivalents, short-term time deposits and short-term investments of US$1.1 billion. Assuming we had converted RMB6.7 billion into U.S. dollars at the exchange rate of RMB7.2993 for US$1.00 as of the end of 2024, our U.S. dollar cash balance would have been US$2.0 billion. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US$1.9 billion instead. Assuming we had converted US$1.1 billion into RMB at the exchange rate of RMB7.2993 for US$1.00 as of the end of 2024, our RMB cash balance would have been RMB14.8 billion. If the RMB had appreciated by 10% against the U.S. dollar, our RMB cash balance would have been RMB14.0 billion instead.

Interest rate risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits and wealth management products. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure. However, our future interest income may fall short of expectations due to changes in market interest rates.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

The depositary for the American Depositary Shares is Citibank, N.A., whose depositary offices are located at 388 Greenwich Street, New York, New York 10013.

Fees and Charges Our ADS holders May Have to Pay

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

Service	Fees
• Issuance of ADSs (e.g., an issuance of ADS upon a deposit of Class A ordinary shares, upon a change in the ADS(s)-to-Class A ordinary share(s) ratio, or for any other reason), excluding ADS issuances as a result of distributions of Class A ordinary shares	Up to US $5.00 per 100 ADSs (or fraction thereof) issued.
• Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-Class A ordinary share(s) ratio, or for any other reason)	Up to US $5.00 per 100 ADSs (or fraction thereof) cancelled.
• Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to US $5.00 per 100 ADSs (or fraction thereof) held.
• Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to US $5.00 per 100 ADSs (or fraction thereof) held.
• Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to US $5.00 per 100 ADSs (or fraction thereof) held.
• ADS Services	Up to US$5.00 per 100 ADS (or fraction thereof) held on the applicable record date(s) established by the depositary
• Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)	Up to US$5.00 per 100 ADSs (or fraction thereof) transferred.
• Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the deposit agreement) into freely transferable ADSs, and vice versa).	Up to US$$5.00 per 100 ADSs (or fraction thereof) converted.

As an ADS holder, you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of Class A ordinary shares on the share register and applicable to transfers of Class A ordinary shares to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depositary and/or service providers (which may be a division, branch or affiliate of the depositary) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depositary in connection with foreign currency conversions, compliance with exchange control regulations and other regulatory requirements; and
- the fees, charges, costs and expenses incurred by the depositary, the custodian, or any nominee in connection with the ADR program.

Fees and Other Payments Made by the Depositary to Us

The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Conversion Between Class A Ordinary Shares and ADSs

Dealings and Settlement of Class A Ordinary Shares in Hong Kong

Dealings in our Class A ordinary shares on Hong Kong Stock Exchange will be conducted in Hong Kong dollars. Our Class A ordinary shares will be traded on Hong Kong Stock Exchange in board lots of 100 Class A ordinary shares.

The transaction costs of dealings in our Class A ordinary shares on the Hong Kong Stock Exchange include:

- Hong Kong Stock Exchange trading fee of 0.00565% of the consideration of the transaction, charged to each of the buyer and seller;
- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- AFRC transaction levy of 0.00015% of the consideration of the transaction, charged to each of the buyer and seller;
- trading tariff of HK$0.50 on each and every purchase or sale transaction. The decision on whether or not to pass the trading tariff onto investors is at the discretion of brokers;
- transfer deed stamp duty of HK$5.00 per transfer deed (if applicable), payable by the seller;
- ad valorem stamp duty at a total rate of 0.2% of the value of the transaction, with 0.1% payable by each of the buyer and the seller;
- stock settlement fee, which is currently 0.002% of the gross transaction value, subject to a minimum fee of HK$2.00 and a maximum fee of HK$100.00 per side per trade;
- brokerage commission, which is freely negotiable with the broker (other than brokerage commissions for IPO transactions which are currently set at 1% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities); and
- the Hong Kong share registrar will charge HK$2.50 for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

Investors in Hong Kong must settle their trades executed on Hong Kong Stock Exchange through their brokers directly or through custodians. The settlement system for securities listed on the Hong Kong Stock Exchange is known as CCASS, which stands for Central Clearing and Settlement System. For an investor in Hong Kong who has deposited his/her Class A ordinary shares in his/her stock account or in his/her designated CCASS participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his/her broker or custodian before the settlement date.

Conversion Between Class A Ordinary Shares Trading in Hong Kong and ADSs

In connection with the listing of our Class A ordinary shares on the Hong Kong Stock Exchange, we have established a branch register of members in Hong Kong, which we refer to as the Hong Kong share register, which will be maintained by our Hong Kong share registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members, which we refer to as the Cayman share register, will continue to be maintained by Maples Fund Services (Cayman) Limited.

As described in further detail below, holders of Class A ordinary shares registered on the Hong Kong Share Register will be able to deposit their Class A ordinary shares for delivery of ADSs and surrender their ADSs for cancelation and delivery of Class A ordinary shares. To facilitate deposits of Class A ordinary shares with the depositary for delivery of ADSs for trading on Nasdaq and surrender of ADSs to the depositary for cancelation and delivery of Class A ordinary shares for trading on the Hong Kong Stock Exchange, we moved a portion of our issued Class A ordinary shares represented by the ADS from our Cayman share register to our Hong Kong share register.

Converting Class A Ordinary Shares Trading in Hong Kong into ADSs

An investor who holds Class A ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on Nasdaq must deposit or have his or her broker deposit the Class A ordinary shares with the depositary's Hong Kong custodian, Citibank, N.A. – Hong Kong, in exchange for ADSs. A deposit of Class A ordinary shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- If Class A ordinary shares have been deposited with CCASS, the investor must transfer ordinary shares to the depositary's account with the custodian within CCASS by following the CCASS procedures for transfer and deliver to the custodian instructions for the issuance and delivery of the corresponding ADSs.

- If Class A ordinary shares are held outside CCASS, the investor must arrange to deposit his or her Class A ordinary shares into the CCASS for delivery to the depositary's account with the custodian within CCASS, and must deliver to the custodian instructions for the issuance and delivery of the corresponding ADSs.

- Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will issue the corresponding number of ADSs and will deliver the ADSs as instructed by the depositary party. For Class A ordinary shares deposited in CCASS, under normal circumstances, the above steps generally require two business days, provided that the investor has provided timely and complete instructions.

For Class A ordinary shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the ADSs issuance procedures are completed.

Converting ADSs into Class A Ordinary Shares Trading in Hong Kong

An investor who holds ADSs and who intends to convert his or her ADSs into Class A ordinary shares that trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw Class A ordinary shares from our ADS program and cause his or her broker or other financial institution to trade such Class A ordinary shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker or other financial institution should follow the procedure of the broker or financial institution and instruct the broker to arrange for cancelation of the ADSs, and withdrawal of the underlying Class A ordinary shares from the depositary's account with the custodian within the CCASS system to the investor's Hong Kong stock account. For investors holding ADSs directly, the following steps must be taken:

- To withdraw Class A ordinary shares from our ADS program, an investor who holds ADSs may turn in such ADSs to the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.

- Upon payment or net of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will cancel the ADSs and instruct the custodian to deliver Class A ordinary shares underlying the canceled ADSs to the CCASS account designated by an investor.

- If an investor prefers to receive Class A ordinary shares outside CCASS, he or she must receive Class A ordinary shares in CCASS first and then arrange for withdrawal of the Class A ordinary shares from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register Class A ordinary shares in their own names with the Hong Kong share registrar.

For Class A ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two business days, provided that the investor has provided timely and complete instructions.

For Class A ordinary shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the Class A ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancelations. In addition, completion of the above steps and procedures for delivery for Class A ordinary shares in a CCASS account is subject to there being a sufficient number of Class A ordinary shares on the Hong Kong share register to facilitate a withdrawal from the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of Class A ordinary shares on the Hong Kong share register to facilitate such withdrawals.

Depositary Requirements

Before the depositary delivers ADSs or permits withdrawal of Class A ordinary shares, the depositary may require:

- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and

- compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including completion and presentation of transfer documents.

The depositary may refuse to deliver, transfer, or register issuances, transfers and cancelations of ADSs generally when the transfer books of the depositary or our Hong Kong share registrar or Cayman share registrar are closed or at any time if the depositary or we determine it advisable to do so, subject to such refusal complying with U.S. federal securities laws.

All costs attributable to the transfer of shares to effect a withdrawal from or deposit of Class A ordinary shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of Ordinary Shares and ADSs should note that the Hong Kong share registrar will charge HK$2.50 for each transfer of Class A ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of Class A ordinary shares and ADSs must pay up to US$5.00 per 100 ADSs (or portion thereof) for each issuance of ADSs and each cancelation of ADSs, as the case may be, in connection with the deposit of Class A ordinary shares into, or withdrawal of Class A ordinary shares from, our ADS program.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Material Modifications to the Rights of Security Holders

None.

Use of Proceeds

The following "Use of Proceeds" information relates to the registration statement on Form F-1 for our initial public offering (File Number 333-256391), which was declared effective by the SEC on June 10, 2021. Our initial public offering closed in June 2021. Goldman Sachs (Asia) L.L.C., Morgan Stanley & Co. LLC, UBS Securities LLC, China Renaissance Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Futu Inc. and Tiger Brokers (NZ) Limited were the underwriters for our initial public offering. We offered and sold an aggregate of 55,200,000 ADSs at an initial public offering price of US$19.00 per ADS, taking into account the ADSs sold upon the exercise of the over-allotment option by our underwriters. We raised RMB6.4 billion in net proceeds from our initial public offering after deducting underwriting commissions and discounts and the offering expenses payable by us.

The total expenses incurred for our company's account in connection with our initial public offering was RMB26.8 million. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from June 10, 2021, the date that the registration statement was declared effective by the SEC, to December 31, 2024, we have not used any of the net proceeds. There is no material change in the use of proceeds as described in the registration statement. We still intend to use the proceeds from our initial public offering in the manner disclosed in our registration statement on Form F-1.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management has concluded that, as of December 31, 2024, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America, or U.S. GAAP, and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the Securities and Exchange Commission, our management including our chief executive officer and chief financial officer assessed the effectiveness of internal control over financial reporting as of December 31, 2024 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, has audited the effectiveness of our company's internal control over financial reporting as of December 31, 2024, as stated in its report, which appears on page F-2 of this annual report on Form 20-F.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Mengyuan Dong, a member of our audit committee and an independent director (under the standards set forth in Rule 5605(c)(2) of the Nasdaq Stock Market Rules and Rule 10A-3 under the Securities Exchange Act of 1934), is an audit committee financial expert.

Item 16B. Code of Ethics

Our board of directors adopted a code of business conduct and ethics in May 2021 that applies to our directors, officers and employees. We have posted a copy of our code of business conduct and ethics on our website at *https://ir.zhipin.com.* The information contained on our website or available through our website is not incorporated by reference into and should not be considered a part of this annual report, and any references to our website throughout this annual report are inactive textual references only.

Item 16C. Principal Accountant Fees and Services

We engaged PricewaterhouseCoopers Zhong Tian LLP as the external auditor for our annual report on Form 20-F, and PricewaterhouseCoopers in Hong Kong as the external auditor for our Hong Kong annual report. The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our principal external auditors for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	For the Year Ended December 31,		
	2023	2024	
	RMB	RMB	US$
		(in thousands)	
Audit fees[(1)]	13,240	12,442	1,705
All other fees[(2)]	375	377	52

Notes:

(1) "Audit fees" mainly represents the aggregate fees billed for professional services rendered by our principal external auditors for the audit of our annual financial statements and internal controls over financial reporting and the review of our quarterly financial information.

(2) "All other fees" represents the aggregate fees billed for professional services other than those reported under "Audit fees" rendered by our principal external auditors and its affiliates.

The policy of our audit committee is to pre-approve all audit and other services provided by our principal external auditors as described above, other than those for *de minimis* services which are approved by the Audit Committee prior to the completion of the audit.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In March 2023, our board of directors authorized a share repurchase program, under which we may repurchase up to US$150 million of our shares (including in the form of ADSs) over the following 12 months. This share repurchase program expired on March 19, 2024.

In March 2024, our board of directors authorized a new share repurchase program effective from March 20, 2024 for a 12-month period, under which we may repurchase up to US$200 million of our shares (including in the form of ADSs).

In August 2024, our board of directors authorized a new share repurchase program, or the New Share Repurchase Program, effective from August 29, 2024 for a 12-month period, under which we may repurchase up to US$150 million of our shares (including in the form of ADSs). This New Share Repurchase Program operates in conjunction with the previous share repurchase program that became effective on March 20, 2024.

The table below is a summary of our repurchases in 2024, which were all conducted in the open market pursuant to the share repurchase programs adopted by us.

Period	Total Number of ADSs Purchased	Average Price Paid Per ADS	Total Number of ADSs Purchased as Part of the Publicly Announced Plans	Approximate Dollar Value of ADSs that May Yet to Be Purchased Under the Plans
March 1- March 31, 2024	275,462	US$18.14	275,462	US$194,997,004
April 1-April 30, 2024	123,298	US$17.87	123,298	US$192,791,026
May 1-May 31, 2024	374,622	US$21.35	374,622	US$184,783,785
June 1- June 30, 2024	659,810	US$19.69	659,810	US$171,778,870
July 1- July 31, 2024	3,262,272	US$14.12	3,262,272	US$125,666,503
August 1- August 31, 2024	1,431,520	US$13.17	1,431,520	US$256,786,749*
September 1- September 30, 2024	3,450,876	US$12.31	3,450,876	US$214,233,309
October 1- October 31, 2024	1,422,417	US$14.79	1,422,417	US$193,163,144
November 1-November 30, 2024	3,299,123	US$13.63	3,299,123	US$148,143,738
December 1-December 31, 2024	1,937,589	US$13.87	1,937,589	US$121,229,733
Total	**16,236,989**	**US$14.07**	**16,236,989**	**US$121,229,733**

*The increase was due to the adoption of the New Share Repurchase Program in August 2024.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a Cayman Islands company listed on the Nasdaq Global Select Market, we are subject to the Nasdaq Stock Market Rules. However, the Nasdaq Stock Market Rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Stock Market's corporate governance listing standards applicable to U.S. domestic issuers. We are a "controlled company" as defined under the Nasdaq Stock Market Rules because Mr. Peng Zhao, our Founder, Chairman and Chief Executive Officer, beneficially owns more than 50% of our total voting power. For so long as we remain a controlled company under that definition, we are permitted to, and rely on, certain exemptions from corporate governance rules. Our board of directors is not composed of a majority of independent directors. Furthermore, not all members of our compensation committee and nomination committee are independent directors. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Shares and Our ADSs—As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with such corporate governance listing standards" and "—We are a "controlled company" within the meaning of the Nasdaq Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies."

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Our board of directors has established insider trading policies and procedures to provide guidance on the purchases, sales, and other dispositions of our securities by our directors, officers, employees and other relevant persons, with the goal of promoting compliance with applicable insider trading laws, rules and regulations, and the listing standards of Nasdaq.

The Amended and Restated Statement of Policies Governing Material, Non-Public Information and the Prevention of Insider Trading is filed as Exhibit 11.2 to this annual report on Form 20-F.

Item 16K. Cybersecurity

Risk management and strategy

Cybersecurity risk management is an important part of our risk management system. We have established clear systems and internal policies to strengthen the identification and control of cybersecurity risks. In terms of risk identification, we identify potential cybersecurity risks by deploying monitoring logs of various security devices and through our self-built alarm platform. In addition, we have established and maintained communication channels with third-party security risk monitoring platforms and built our own cybersecurity emergency response center to capture cybersecurity threats from external sources. In terms of risk assessment and management, we have established a hierarchical management process for dealing with cybersecurity threats. When we receive an internal alert or a verified external risk notification that our cybersecurity operations team determines to be non-high-risk, we will directly arrange for manual handling. If the risk is determined to be high-risk, the head of our cybersecurity operations team will report to our chief technology officer, such that our chief technology officer and relevant personnel will jointly assess the threat risk level, and simultaneously arrange for manual handling. If such risk is further determined to be a significant cybersecurity incident, it will then be escalated to our dedicated team for cybersecurity incidents. Upon receiving the relevant information about the cybersecurity incident, our dedicated team will inform our chief executive officer and chairman of the board of directors of the relevant events that have taken place, according to the prescribed cybersecurity risk preferences. In the event of a major cybersecurity incident, we will initiate emergency plans in a timely manner under the guidance of our management team, develop and deploy special response plans, and carry out emergency recovery, attack source tracing, remedial measures and other response actions. At the same time, our management will closely follow the development of the situation, examine the scope of impact, and report the incident and disposition to the higher regulatory bodies in a timely manner.

We have also established a cybersecurity management mechanism for third-party IT service providers. Prior to granting access to suppliers, we investigate and evaluate our third-party IT service providers' IT-related qualification and capabilities and data security capabilities. IT service providers that do not possess the appropriate capabilities or do not meet the relevant regulatory requirements are prohibited from being shortlisted. After establishing cooperation with them, we conduct re-evaluations of our third-party IT service providers annually, and will press for improvements or discontinue collaboration subject to the results of the evaluations.

Internal governance

Board's role. Our board of directors acknowledges cybersecurity risk as a strategic concern vital to our operational continuity. Our board of directors incorporated cybersecurity awareness into our decision-making process and established a protocol for our management to report cybersecurity risks to the board of directors. Our board of directors delegates the primary responsibility for overseeing cybersecurity risks to our chairman of the board of directors, with our management responsible for the day-to-day management of cybersecurity risks. Our chairman of the board of directors receives quarterly updates from our management on the latest information regarding the management of our cybersecurity, and our board of directors will receive regular updates on relevant topics. In order to perform its supervisory duties, our board of directors, in particular our chairman of the board of directors who is responsible for receiving reports from our management on cybersecurity risks, proactively learns about cybersecurity expertise, and keeps itself up-to-date with changing laws, regulations and regulatory requirements. In addition, our board of directors pays close attention to the requirements imposed by regulatory authorities for the disclosure of information on cybersecurity of listed companies, promptly approves our internal disclosure control policy as updated in accordance with the regulatory requirements in a timely manner and maintains supervision over the disclosure of the cybersecurity-related sections of our periodic reports.

Management's role. Our management is responsible for refining the cybersecurity risk control objectives as set out by our board of directors, establishing a cybersecurity risk assessment and management framework and ensuring that there is sufficient personnel, financial budget and resource support. In the process of managing cybersecurity risks, our management coordinates and guides the analysis and disposal of significant risks, and oversees the implementation of rectification measures.

Our core management member responsible for assessing and managing the risks associated with significant cybersecurity threats is Mr. Tao Zhang, our executive director and Chief Technology Officer. Mr. Zhang has served as our Chief Technology Officer since our inception, and is in charge of the research and development and information technology infrastructure of our Group. Mr. Zhang led the establishment of our cybersecurity operations team in 2017 and has been directly managing our cybersecurity operations team since then. Mr. Zhang has ample experience in cybersecurity management. He has over 18 years of experience in the software engineering and internet industry. Mr. Zhang received his bachelor's degree from Beijing Information Engineering College (which was merged with Beijing Institute of Machinery and renamed Beijing Information Science and Technology University in 2008) and master's degree from Beihang University.

As of the date of this report, we have not identified any cybersecurity risks that have or may have a material impact on our company.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of KANZHUN LIMITED, its subsidiaries, consolidated VIE and VIE's subsidiaries are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Fifteenth Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated hereby reference to Exhibit 1.1 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 27, 2023)
2.1	Registrant's Specimen American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated hereby reference to Exhibit 4.2 to the registration statement on Form F-1(File No. 333-256391), as amended, initially filed with the Securities and Exchange Commission on May 21, 2021)
2.3	Deposit Agreement, dated June 15, 2021, among the Registrant, the depositary and the holders and beneficial owners of American Depositary Shares issued thereunder (incorporated hereby reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333-261609) filed with the Securities and Exchange Commission on December 13, 2021)
2.4	Description of Securities (incorporated hereby reference to Exhibit 2.5 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 27, 2023)
4.1	Amended and Restated 2020 Global Share Plan (incorporated hereby reference to Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-256391), as amended, initially filed with the Securities and Exchange Commission on May 21, 2021)
4.2	Post-IPO Share Scheme (incorporated hereby reference to Exhibit 10.1 to the registration statement on Form S-8 (File No. 333-270709) filed with the Securities and Exchange Commission on March 21, 2023)

Exhibit Number	Description of Document
4.3	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated hereby reference to Exhibit 10.2 to the registration statement on Form F-1(File No. 333-256391), as amended, initially filed with the Securities and Exchange Commission on May 21, 2021)
4.4	Form of Employment Agreement between the Registrant and its executive officers (incorporated hereby reference to Exhibit 10.3 to the registration statement on Form F-1(File No. 333-256391), as amended, initially filed with the Securities and Exchange Commission on May 21, 2021)
4.5	English translation of the executed form of the Powers of Attorney respectively granted by each shareholders of the VIE dated January 1, 2024 and as currently in effect (incorporated hereby reference to Exhibit 4.5 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
4.6	English translation of the Equity Pledge Agreement among our WFOE, the VIE and shareholders of the VIE dated January 1, 2024 (incorporated hereby reference to Exhibit 4.6 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
4.7	English translation of the Exclusive Technology and Service Co-operation Agreement among our WFOE, the VIE and shareholders of the VIE dated January 1, 2024 (incorporated hereby reference to Exhibit 4.7 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
4.8	English translation of the Exclusive Purchase Option Agreement among our WFOE, the VIE and shareholders of the VIE dated January 1, 2024 (incorporated hereby reference to Exhibit 4.8 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
4.9	English translation of executed form of the Spousal Consent Letter respectively granted by the spouse of each individual shareholder of the VIE, dated January 1, 2024 and as currently in effect, and a schedule of all executed Spousal Consent Letters adopting the same form (incorporated hereby reference to Exhibit 4.9 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
8.1	List of Significant Subsidiaries and VIE of the Registrant (incorporated hereby reference to Exhibit 8.1 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated hereby reference to Exhibit 99.1 to the registration statement on Form F-1 (File No. 333-256391), as amended, initially filed with the Securities and Exchange Commission on May 21, 2021)
11.2*	Amended and Restated Statement of Policies Governing Material, Non-Public Information and the Prevention of Insider Trading of the Registrant
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm
15.2*	Consent of Tian Yuan Law Firm

Exhibit Number	Description of Document
15.3*	Consent of Maples and Calder (Hong Kong) LLP
97	Clawback Policy of the Registrant (incorporated hereby reference to Exhibit 97 to the annual report on Form 20-F (File No. 001-40460) filed with the Securities and Exchange Commission on April 29, 2024)
101.INS*	Inline XBRL Instance Document—this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Exhibit 101 Inline XBRL document set)

* Filed with this Annual Report on Form 20-F.
** Furnished with this Annual Report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

KANZHUN LIMITED

By: /s/ Peng Zhao
Name: Peng Zhao
Title: Chairman of the Board of Directors and Chief Executive Officer

Date: April 10, 2025

KANZHUN LIMITED
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of KANZHUN LIMITED

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of KANZHUN LIMITED and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of cash flows and of changes in shareholders' equity for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition for online recruitment services to enterprise customers

As described in Notes 2(p) and 12 to the consolidated financial statements, revenues derived from online recruitment services to enterprise customers were RMB7,270.0 million for the year ended December 31, 2024. Revenues derived from online recruitment services to enterprise customers are recognized when or as control of services is transferred to a customer. Depending on the terms of the contract, the control of services may be transferred at a point in time or over time.

The principal consideration for our determination that performing procedures relating to revenue recognition for online recruitment services to enterprise customers is a critical audit matter is a high degree of auditor effort in performing procedures and evaluating audit evidence related to the Company's revenue recognition for online recruitment services to enterprise customers.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process. These procedures also included, among others, (i) reading contracts with customers and evaluating the appropriateness of the revenue recognition policies adopted by the management; (ii) testing revenue transactions by obtaining and inspecting contracts with customers, sales orders, evidence of cash receipts from customers, and system records for online recruitment services provided, on a test basis; and (iii) recalculating revenue recognized for each type of online recruitment services selected.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
April 10, 2025

We have served as the Company's auditor since 2019.

KANZHUN LIMITED
CONSOLIDATED BALANCE SHEETS

	Notes	As of December 31, 2023 RMB	As of December 31, 2024 RMB	As of December 31, 2024 US$ Note 2(e)
		(In thousands, except share and per share data)		
ASSETS				
Current assets				
Cash and cash equivalents		2,472,959	2,553,090	349,772
Short-term time deposits	2(i)	6,922,803	5,488,631	751,939
Short-term investments	5	3,513,885	6,639,389	909,593
Accounts and notes receivable, net		16,727	40,713	5,578
Inventories		—	3,042	417
Amounts due from related parties	17	3,966	7,258	994
Prepayments and other current assets	6	442,697	368,260	50,451
Total current assets		**13,373,037**	**15,100,383**	**2,068,744**
Non-current assets				
Long-term investments	5	2,473,128	1,914,530	262,290
Property, equipment and software, net	7	1,793,488	1,733,786	237,528
Right-of-use assets, net	13	282,612	302,856	41,491
Intangible assets, net	8	8,093	252,589	34,605
Goodwill		5,690	6,528	894
Other non-current assets		4,000	—	—
Total non-current assets		**4,567,011**	**4,210,289**	**576,808**
Total assets		**17,940,048**	**19,310,672**	**2,645,552**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable	9	629,216	110,668	15,162
Deferred revenue	2(p)	2,794,075	3,084,839	422,621
Other payables and accrued liabilities	10	779,046	815,767	111,760
Operating lease liabilities, current	13	155,014	180,782	24,767
Total current liabilities		**4,357,351**	**4,192,056**	**574,310**
Non-current liabilities				
Operating lease liabilities, non-current	13	125,079	121,345	16,624
Deferred tax liabilities	14	28,425	34,451	4,720
Total non-current liabilities		**153,504**	**155,796**	**21,344**
Total liabilities		**4,510,855**	**4,347,852**	**595,654**
Commitments and contingencies	19			
Shareholders' equity				
Ordinary shares (US$0.0001 par value; 1,800,000,000 Class A ordinary shares and 200,000,000 Class B ordinary shares authorised; 750,523,103 Class A ordinary shares issued and 740,172,377 outstanding, 139,630,401 Class B ordinary shares issued and outstanding as of December 31, 2023; 761,663,103 Class A ordinary shares issued and 730,807,661 outstanding, 138,490,401 Class B ordinary shares issued and outstanding as of December 31, 2024)		564	571	78
Treasury shares	11	(479,730)	(1,519,708)	(208,199)
Additional paid-in capital		15,496,811	16,234,535	2,224,122
Statutory reserves		5,000	15,051	2,062
Accumulated other comprehensive income		898,810	1,054,562	144,475
Accumulated deficit		(2,492,253)	(917,640)	(125,716)
Total KANZHUN LIMITED shareholders' equity		**13,429,202**	**14,867,371**	**2,036,822**
Non-controlling interests		(9)	95,449	13,076
Total shareholders' equity		**13,429,193**	**14,962,820**	**2,049,898**
Total liabilities and shareholders' equity		**17,940,048**	**19,310,672**	**2,645,552**

The accompanying notes are an integral part of these consolidated financial statements.

KANZHUN LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	For the year ended December 31,			
		2022	2023	2024	
		RMB	RMB	RMB	US$ Note 2(e)
		(In thousands, except share and per share data)			
Revenues					
Online recruitment services to enterprise customers		4,461,282	5,889,101	7,270,026	995,989
Others		49,780	62,927	85,651	11,734
Total revenues	12	**4,511,062**	**5,952,028**	**7,355,677**	**1,007,723**
Operating cost and expenses					
Cost of revenues		(754,861)	(1,059,861)	(1,239,712)	(169,840)
Sales and marketing expenses		(2,000,900)	(1,991,226)	(2,073,052)	(284,007)
Research and development expenses		(1,182,716)	(1,543,568)	(1,815,809)	(248,765)
General and administrative expenses		(719,699)	(811,787)	(1,093,949)	(149,870)
Total operating cost and expenses		**(4,658,176)**	**(5,406,442)**	**(6,222,522)**	**(852,482)**
Other operating income, net		17,595	35,385	39,791	5,451
(Loss)/Income from operations		**(129,519)**	**580,971**	**1,172,946**	**160,692**
Interest and investment income, net		226,482	606,757	625,282	85,663
Foreign exchange gain/(loss)		8,627	1,088	(68)	(9)
Other income, net		11,406	32,973	34,500	4,726
Income before income tax expenses		**116,996**	**1,221,789**	**1,832,660**	**251,072**
Income tax expenses	14	(9,751)	(122,571)	(265,634)	(36,392)
Net income		**107,245**	**1,099,218**	**1,567,026**	**214,680**
Net loss attributable to non-controlling interests		—	9	17,638	2,416
Net income attributable to ordinary shareholders of KANZHUN LIMITED		**107,245**	**1,099,227**	**1,584,664**	**217,096**
Weighted average number of ordinary shares used in computing net income per share	16				
— Basic		868,941,151	870,304,878	881,882,225	881,882,225
— Diluted		912,141,991	902,735,995	909,228,757	909,228,757
Net income per share attributable to ordinary shareholders of KANZHUN LIMITED	16				
— Basic		0.12	1.26	1.80	0.25
— Diluted		0.12	1.22	1.74	0.24
Other comprehensive income, net of tax					
Foreign currency translation adjustments		952,949	186,976	154,202	21,126
Unrealized gains on available-for-sale investments		—	16,650	1,701	233
Total other comprehensive income		**952,949**	**203,626**	**155,903**	**21,359**
Total comprehensive income		**1,060,194**	**1,302,844**	**1,722,929**	**236,039**
Comprehensive loss attributable to non-controlling interests		—	9	17,487	2,396
Comprehensive income attributable to ordinary shareholders of KANZHUN LIMITED		**1,060,194**	**1,302,853**	**1,740,416**	**238,435**

The accompanying notes are an integral part of these consolidated financial statements.

KANZHUN LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US$ Note 2(e)
	(In thousands)			
Cash flows from operating activities				
Net income	107,245	1,099,218	1,567,026	214,680
Adjustments to reconcile net income to net cash provided by operating activities:				
Share-based compensation	692,204	1,056,967	1,143,685	156,683
Depreciation of property, equipment and software	139,470	256,594	468,378	64,168
Amortization of intangible assets	608	2,158	33,504	4,590
Amortization of right-of-use assets	147,322	169,137	184,601	25,290
(Gain)/Loss from disposal of property, equipment and software	(96)	183	649	89
Foreign exchange (gain)/loss	(8,627)	(1,088)	68	9
Interest and investment income	(43,716)	(288,042)	(11,140)	(1,526)
Deferred income tax expenses	9,324	14,083	8,538	1,170
Allowance for credit losses	336	86	793	109
Changes in operating assets and liabilities:				
Accounts and notes receivable	(5,982)	(7,037)	(17,487)	(2,396)
Inventories	—	—	(3,042)	(417)
Prepayments and other current assets	13,321	123,933	133,760	18,325
Amounts due from related parties	901	1,748	(3,249)	(445)
Other non-current assets	—	—	4,000	548
Accounts payable	10,179	24,744	(28,677)	(3,928)
Deferred revenue	102,322	733,183	289,505	39,662
Other payables and accrued liabilities	(18,037)	31,931	(47,933)	(6,566)
Operating lease liabilities	(143,732)	(170,789)	(180,484)	(24,725)
Net cash provided by operating activities	**1,003,042**	**3,047,009**	**3,542,495**	**485,320**
Cash flows from investing activities				
Purchases of property, equipment and software	(340,120)	(955,511)	(856,047)	(117,278)
Disposal of property, equipment and software	324	6,953	120	16
Purchases of time deposits	(746,640)	(9,698,390)	(6,117,060)	(838,034)
Maturities of time deposits	—	3,982,982	7,600,176	1,041,220
Purchases of short-term and long-term investments	(4,466,418)	(9,563,742)	(10,396,017)	(1,424,248)
Maturities of short-term and long-term investments	2,746,201	6,289,129	7,902,150	1,082,590
Payments for business acquisitions, net of cash acquired	(9,928)	(66)	(150,221)	(20,580)
Net cash used in investing activities	**(2,816,581)**	**(9,938,645)**	**(2,016,899)**	**(276,314)**
Cash flows from financing activities				
Proceeds from exercise of share-based awards	249,662	217,712	191,320	26,211
Repurchase of ordinary shares	(918,894)	(71,835)	(1,651,859)	(226,304)
Payment of dividends	—	(562,899)	—	—
Net cash used in financing activities	**(669,232)**	**(417,022)**	**(1,460,539)**	**(200,093)**
Effect of exchange rate changes on cash and cash equivalents	892,837	29,793	15,074	2,065
Net (decrease)/increase in cash and cash equivalents	**(1,589,934)**	**(7,278,865)**	**80,131**	**10,978**
Cash and cash equivalents at beginning of the year	11,341,758	9,751,824	2,472,959	338,794
Cash and cash equivalents at end of the year	**9,751,824**	**2,472,959**	**2,553,090**	**349,772**
Supplemental cash flow disclosure				
Cash paid for income tax	101,293	133,456	306,758	42,026
Supplemental disclosures of non-cash investing and financing activities				
Changes in payables for purchase of property, equipment and software	122,155	419,175	(527,372)	(72,250)
Changes in consideration payable for share repurchase	—	113,802	(20,324)	(2,784)

The accompanying notes are an integral part of these consolidated financial statements.

KANZHUN LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

		Attributable to KANZHUN LIMITED								
		Ordinary shares								
	Notes	Number of shares outstanding	Amount	Treasury shares	Additional paid-in capital	Statutory reserves	Accumulated other comprehensive (loss)/income	Accumulated deficit	Non-controlling interests	Total shareholders' equity
			RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
		(In thousands, except share data)								
Balance as of January 1, 2022		868,685,634	554	—	14,624,386	—	(257,765)	(3,693,119)	—	10,674,056
Cumulative effect of adoption of credit loss guidance	2(k)	—	—	—	—	—	—	(606)	—	(606)
Net income		—	—	—	—	—	—	107,245	—	107,245
Foreign currency translation adjustments		—	—	—	—	—	952,949	—	—	952,949
Share-based compensation		—	—	—	692,204	—	—	—	—	692,204
Exercise of share options and vesting of restricted share units ("RSUs")		14,372,840	10	—	133,799	—	—	—	—	133,809
Repurchase of ordinary shares	11	(17,645,098)	—	(918,894)	—	—	—	—	—	(918,894)
Balance as of December 31, 2022		**865,413,376**	**564**	**(918,894)**	**15,450,389**	**—**	**695,184**	**(3,586,480)**	**—**	**11,640,763**
Net income		—	—	—	—	—	—	1,099,227	(9)	1,099,218
Foreign currency translation adjustments		—	—	—	—	—	186,976	—	—	186,976
Unrealized gains on available-for-sale investments		—	—	—	—	—	16,650	—	—	16,650
Share-based compensation		—	—	—	1,056,967	—	—	—	—	1,056,967
Exercise of share options and vesting of RSUs		17,920,314	—	623,862	(442,294)	—	—	—	—	181,568
Repurchase of ordinary shares	11	(3,530,912)	—	(184,698)	—	—	—	—	—	(184,698)
Cash dividends declared	11	—	—	—	(568,251)	—	—	—	—	(568,251)
Appropriation to statutory reserves		—	—	—	—	5,000	—	(5,000)	—	—
Balance as of December 31, 2023		**879,802,778**	**564**	**(479,730)**	**15,496,811**	**5,000**	**898,810**	**(2,492,253)**	**(9)**	**13,429,193**
Net income		—	—	—	—	—	—	1,584,664	(17,638)	1,567,026
Foreign currency translation adjustments		—	—	—	—	—	154,051	—	151	154,202
Unrealized gains on available-for-sale investments		—	—	—	—	—	1,701	—	—	1,701
Share-based compensation		—	—	—	1,143,685	—	—	—	—	1,143,685
Exercise of share options and vesting of RSUs		21,969,262	—	593,016	(405,961)	—	—	—	—	187,055
Repurchase of ordinary shares	11	(32,473,978)	—	(1,632,987)	—	—	—	—	—	(1,632,987)
Issuance of ordinary shares as treasury shares		—	7	(7)	—	—	—	—	—	—
Acquisition of a subsidiary	4	—	—	—	—	—	—	—	112,945	112,945
Appropriation to statutory reserves		—	—	—	—	10,051	—	(10,051)	—	—
Balance as of December 31, 2024		**869,298,062**	**571**	**(1,519,708)**	**16,234,535**	**15,051**	**1,054,562**	**(917,640)**	**95,449**	**14,962,820**

The accompanying notes are an integral part of these consolidated financial statements.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND ORGANIZATION

(a) Principal activities

KANZHUN LIMITED (the "Company") was incorporated under the laws of the Cayman Islands on January 16, 2014 as an exempted company with limited liability. The Company, through its subsidiaries, consolidated variable interest entity (the "VIE") and VIE's subsidiaries (collectively referred to as the "Group"), is primarily engaged in providing online recruitment services through a platform named "BOSS Zhipin" in the People's Republic of China (the "PRC" or "China").

(b) Organization of the Group

As of December 31, 2024, the Company's principal subsidiaries and consolidated VIE are as follows:

Company name	Place of incorporation	Date of incorporation	Equity interest/economic interest held	Principal activities
Principal subsidiaries				
Techfish Limited	Hong Kong, China	February 14, 2014	100%	Investment holding
Beijing Highland Wolf Technology Co., Ltd. (the "WFOE")	Beijing, China	December 6, 2023	100%	Management consultancy and technical services
VIE				
Beijing Huapin Borui Network Technology Co., Ltd. ("Huapin")	Beijing, China	December 25, 2013	100%	Online recruitment services

(c) Consolidated variable interest entity

In order to comply with the PRC laws and regulations that prohibit or restrict foreign investments in companies involved in restricted businesses, the Group operates its restricted businesses in the PRC mainly through the VIE, Huapin, and its subsidiaries, whose equity interests are held by certain management members of the Group (the "Registered Shareholders"). Before 2024, the Company entered into a series of contractual arrangements through its subsidiary, Beijing Glorywolf Co., Ltd., with Huapin and its respective Registered Shareholders. In January 2024, these original contractual arrangements were superseded by new contractual arrangements entered into among the WFOE, Huapin and its Registered Shareholders. Pursuant to these contractual arrangements, the Company has the power to direct activities of Huapin that most significantly affect its economic performance and receives substantially all of the economic benefits from Huapin. Accordingly, the Company obtains a controlling financial interest in the VIE. The Company is deemed to be the ultimate primary beneficiary of the VIE, and therefore consolidates the VIE's results of operations, assets and liabilities in the Group's consolidated financial statements under the accounting principles generally accepted in the United States of America ("U.S. GAAP").

The principal terms of the contractual agreements entered into by and among the Company, through the WFOE, the VIE and the Registered Shareholders are further described below.

Exclusive Technology and Service Co-operation Agreement

Pursuant to the Exclusive Technology and Service Co-operation Agreement, the VIE has agreed to engage the WFOE as the exclusive provider of management consultancy, technical and other services as agreed. The VIE shall pay service fee to the WFOE, which shall be equivalent to total consolidated profit of the VIE and its subsidiaries, after offsetting the prior-year accumulated loss (if any), operating cost and expenses, taxes and other statutory contributions. Notwithstanding the foregoing, the WFOE shall have the right to adjust the level of the service fee by taking into account such factors as (a) the complexity and difficulty of the services, (b) the time taken for the services, (c) the scope and commercial value of the management consultancy, technical and other services, (d) the scope and commercial value of intellectual property licensing and leasing services, and (e) the market reference price for services of similar kinds.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND ORGANIZATION (CONTINUED)

(c) Consolidated variable interest entity (continued)

Exclusive Technology and Service Co-operation Agreement (continued)

The Exclusive Technology and Service Co-operation Agreement shall remain effective until, among others, the date on which the WFOE or its designated party is formally registered as the shareholder of the VIE, in the case where the WFOE is permitted by the PRC laws to directly hold the VIE's equity interests and the WFOE and its subsidiaries and branches are allowed to engage in the business being currently operated by the VIE.

Exclusive Purchase Option Agreement

Pursuant to the Exclusive Purchase Option Agreement, the Registered Shareholders of the VIE have granted the WFOE or its offshore parent company or its directly or indirectly owned subsidiaries, an exclusive and irrevocable right to purchase all or any part of the respective equity interests in the VIE from the Registered Shareholders. Among others, the VIE and the Registered Shareholders irrevocably covenanted that unless with prior written consent by the WFOE, the VIE shall not sell, transfer, pledge, or otherwise dispose all or any part of its assets (other than the assets necessary for its ordinary course of business), and the Registered Shareholders shall not sell, transfer, pledge, or otherwise dispose all or any part of their equity interests in the VIE, other than the pledge of the VIE's equity interests pursuant to these contractual arrangements. The purchase price payable by the WFOE or its designee in respect of the transfer of the entire equity interests and/or total assets of the VIE shall be the nominal price, or the minimum price required by relevant PRC authorities or PRC laws. However, in any event, subject to the provisions and requirements of PRC laws, the price paid by the WFOE and/or its designee to the VIE and/or Registered Shareholders at any such price shall be returned by the VIE and/or Registered Shareholders at the time and in the form requested by the WFOE.

The Exclusive Purchase Option Agreement shall remain effective for ten years with the WFOE having the option to renew it until all the equity interests in and/or all assets of the VIE have been transferred to the WFOE and/or its designee (registration has been completed for the change of members), and the WFOE and its subsidiaries and branches can legally engage in the business of the VIE.

Equity Pledge Agreement

Pursuant to the Equity Pledge Agreement, the Registered Shareholders of the VIE have pledged all of equity interests in the VIE to the WFOE to guarantee performance of their obligations under the contractual arrangements and all liabilities, monetary debts or other payment obligations arising out of or in relation with the contractual arrangements. In the event of a breach by the VIE or any of its Registered Shareholders of contractual obligations under the Equity Pledge Agreement, the WFOE will have the right to (1) demand all the outstanding payments according to the Exclusive Technology and Service Co-operation Agreement, and/or (2) exercise its right of pledge according to the Equity Pledge Agreement, or otherwise dispose of the pledged equity interests in accordance with applicable laws, unless the event of default has been resolved in the satisfactory of the WFOE in time.

The Equity Pledge Agreement shall remain valid until, among others, the VIE and the Registered Shareholders have recorded the release of such pledged equity interests in the register of members of the VIE and completed relevant deregistration procedure.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND ORGANIZATION (CONTINUED)

(c) Consolidated variable interest entity (continued)

Spousal Consent Letter

Pursuant to the Spousal Consent Letter, the spouses of the Registered Shareholders unconditionally and irrevocably consented to the execution of the relevant contractual agreements and to the disposal in accordance therewith of the equity interests in the VIE held by the Registered Shareholders (as the case may be). Additionally, each of the spouses agreed not to make any claim with respect to the equity interests in the VIE held by such Registered Shareholder, and to be bound by the relevant contractual agreements if for any reason the spouses acquire any equity interest in VIE held by each Registered Shareholder.

Power of Attorney

Pursuant to the Power of Attorney, each of the Registered Shareholders appointed the WFOE and/or its designee as their sole and exclusive agent to act on their behalf on all matters concerning the VIE and to exercise all of their rights as shareholders of the VIE, including but not limited to (1) to propose, convene and attend shareholders meetings and sign minutes and resolutions, (2) to exercise all shareholder rights that they are entitled to under PRC law and the relevant articles of association, including but not limited to, the right to vote and the right to sell, transfer, pledge or disposal of all or part of their shareholding; and (3) to elect, designate and appoint the legal representative, chairman, directors, supervisors, general manager and other senior executives of the VIE.

(d) Risks in relations to the VIE structure

The Group believes that the contractual arrangements between or among the WFOE, VIE and the Registered Shareholders are in compliance with applicable PRC laws and regulations. However, uncertainties in the PRC legal system could limit the Company's ability to enforce these contractual arrangements. The PRC Foreign Investment Law, effective from January 1, 2020, doesn't explicitly classify contractual arrangements as a form of foreign investments. There are uncertainties with respect to its implementation and interpretation, and the possibility that the VIE will be deemed as a foreign-invested enterprise and subject to relevant restrictions in the future shall not be excluded. If the contractual arrangements establishing the Company's VIE structure are found to be in violation of any existing or future PRC law and regulations, the relevant PRC government authorities will have broad discretion in dealing with such violation, including but not limited to levying fines, confiscating the Group's income from the VIE, revoking the Group's business licenses or operating licenses, requiring the Group to restructure its ownership structure or operations, discontinuing or placing restrictions on the Group's operations. The imposition of these penalties may result in a severe adverse impact on the Company's ability to direct the activities of the VIE or receive economic benefits from the VIE, which may result in the deconsolidation of the VIE.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND ORGANIZATION (CONTINUED)

(d) Risks in relations to the VIE structure (continued)

The following table set forth the financial information of the VIE and VIE's subsidiaries included in the Group's consolidated financial statements after the elimination of intercompany balances and transactions among the VIE and its subsidiaries:

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
ASSETS		
Current assets		
Cash and cash equivalents	1,143,968	1,414,184
Short-term time deposits	211,442	—
Short-term investments	2,679,963	4,445,982
Accounts and notes receivable, net	3,691	24,988
Inventories	—	3,042
Amounts due from Group companies	200,970	379,885
Amounts due from related parties	3,937	6,585
Prepayments and other current assets	415,686	276,936
Total current assets	**4,659,657**	**6,551,602**
Non-current assets		
Long-term investments	149,588	252,492
Property, equipment and software, net	1,661,132	1,469,151
Right-of-use assets, net	260,056	207,835
Intangible assets, net	277	189
Other non-current assets	4,000	—
Total non-current assets	**2,075,053**	**1,929,667**
Total assets	**6,734,710**	**8,481,269**
LIABILITIES		
Current liabilities		
Accounts payable	628,645	71,692
Deferred revenue	2,649,582	2,790,780
Other payables and accrued liabilities	623,381	493,032
Amounts due to Group companies	68,966	228,135
Operating lease liabilities, current	146,102	143,588
Total current liabilities	**4,116,676**	**3,727,227**
Non-current liabilities		
Operating lease liabilities, non-current	112,115	61,002
Deferred tax liabilities	26,455	21,861
Total non-current liabilities	**138,570**	**82,863**
Total liabilities	**4,255,246**	**3,810,090**

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND ORGANIZATION (CONTINUED)

(d) Risks in relations to the VIE structure (continued)

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Total revenues	4,498,131	5,867,883	7,051,500
Cost of revenues	(750,932)	(1,057,018)	(1,138,098)
Net income	117,298	697,038	1,368,323

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Net cash provided by operating activities	893,078	2,717,909	2,747,052
Net cash used in investing activities	(702,542)	(2,594,184)	(2,476,836)
Net cash used in financing activities	(35,144)	—	—
Net increase in cash and cash equivalents	**155,392**	**123,725**	**270,216**
Cash and cash equivalents at beginning of the year	864,851	1,020,243	1,143,968
Cash and cash equivalents at end of the year	**1,020,243**	**1,143,968**	**1,414,184**

Under the contractual arrangements with the VIE, the Company has the power to direct activities of the VIE through the WFOE that most significantly impact the VIE such as having assets transferred out of the VIE at its discretion. Therefore, the Company considers that there is no asset of the VIE that can be used only to settle obligations of the VIE except for registered capital and PRC statutory reserves of the VIE. Since the VIE was incorporated as a limited liability company under the PRC Company Law, creditors of the VIE do not have recourse to the general credit of the WFOE for any liabilities of the VIE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP.

Certain financial information of prior years has been reclassified to conform with the current year's presentation to facilitate comparison.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, the consolidated VIE and VIE's subsidiaries for which the Company is the ultimate primary beneficiary.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; or has the power to appoint or remove the majority of the members of the board of directors, to cast a majority of votes at the meeting of the board of directors or to govern the financial and operating policies under a statute or agreement among the shareholders or equity holders.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

The Company applies the guidance codified in ASC 810, *Consolidations* on accounting for the VIE, which requires certain variable interest entities to be consolidated by the primary beneficiary of the entity in which it has a controlling financial interest. A VIE is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional financial support; (b) as a group, the holders of the equity investment at risk lack the ability to make certain decisions, the obligation to absorb expected losses or the right to receive expected residual returns; or (c) an equity investor has voting rights that are disproportionate to its economic interest and substantially all of the entity's activities are on behalf of the investor with disproportionately fewer voting rights.

All transactions and balances between the Company, its subsidiaries, the consolidated VIE and VIE's subsidiaries have been eliminated upon consolidation.

(c) Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and revenues and expenses during the reporting periods. Accounting estimates reflected in the Group's consolidated financial statements include, but are not limited to, useful lives of property, equipment and software and intangible assets, impairment assessments of long-lived assets and goodwill, fair value of assets acquired and liabilities assumed in a business acquisition and available-for-sale investments, valuation allowance for deferred tax assets, the provision for credit losses of financial assets and valuation of share-based compensation. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable under current circumstances. Actual results could differ from those estimates.

(d) Functional currency and foreign currency translation

The Group's reporting currency is Renminbi ("RMB"). The Company's functional currency is the United States dollars ("US$"). The respective functional currency of the Company's subsidiaries, consolidated VIE and VIE's subsidiaries is determined based on the criteria of ASC 830, *Foreign Currency Matters.*

Transactions denominated in currencies other than the functional currency are translated into the functional currency of the entity at the exchange rates quoted by authoritative banks prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the applicable exchange rates at the balance sheet dates. Exchange gain or loss resulting from those foreign currency transactions denominated in foreign currencies is recorded in foreign exchange gain/(loss) in the consolidated financial statements.

The financial statements of the Company and subsidiaries located outside the Chinese mainland are translated from their functional currency into RMB. Their assets and liabilities are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Revenues, expenses, gain and loss are translated into RMB using the periodic average exchange rates. The resulting foreign currency translation adjustments are recorded in other comprehensive income/(loss) in the consolidated financial statements.

(e) Convenience translation

Translations of the consolidated balance sheets, the consolidated statements of comprehensive income and the consolidated statements of cash flows from RMB into US$ as of and for the year ended December 31, 2024 are solely for the convenience of the readers, and were calculated at the rate of RMB7.2993 per US$1.00 on December 31, 2024 as set forth in the H.10 statistical release of the U.S. Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate or at any other rate.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fair value measurement

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 – Unobservable inputs which are supported by little or no market activity.

Accounting guidance also describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount and the measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

(g) Business acquisition

Business acquisitions are recorded using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. The consideration transferred in an acquisition is measured as the aggregate of the fair value of the assets transferred, liabilities incurred and equity instruments issued as of the acquisition date. Transaction cost directly attributable to the acquisition is expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interest. The excess of total of consideration paid, fair value of any non-controlling interest and the acquisition-date fair value of any previously held equity interest in the subsidiary acquired over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration of the acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of comprehensive income.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, time deposits and highly liquid investments that are readily convertible to known amounts of cash, which have original maturities of three months or less.

(i) Time deposits

Time deposits are fixed deposits in financial institutions with original maturities greater than three months, which are measured at amortized cost. Time deposits with remaining maturities less than twelve months are classified as short-term time deposits, and others are classified as long-term time deposits.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Investments

The Group's investments mainly include wealth management products, which are either principal-not-guaranteed or have variable interest rates. These investments are measured at fair value with fair value changes recorded in earnings.

The Group also holds debt securities and equity securities. Investments in debt securities are accounted for in accordance with ASC 320*, Investments – Debt Securities*, and are classified as trading, held-to-maturity or available-for-sale investments. Investments in debt securities that are bought and held principally for the purpose of selling them in the near term are classified as trading investments and measured at fair value with changes in fair value recorded in earnings. Investments in debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments and measured at amortized cost less allowance for credit losses. Investments in debt securities not classified as trading or as held-to-maturity securities are classified as available-for-sale investments, which are measured at fair value and subject to impairment testing. Their unrealized gains or losses are recognized in other comprehensive income/(loss) and realized gains or loss are recorded in earnings when realized.

Investments in equity securities with readily determinable fair value and over which the Group has no significant influence or control are measured at fair value with changes in fair value recorded in earnings. Investments in equity securities over which the Group has significant influence but does not have control are accounted for using the equity method of accounting. Under the equity method, the Group initially records its investments at cost and subsequently adjusts the carrying amount of its investments to recognize the Group's proportionate share of the equity investee's net income/(loss) into earnings. The share of income from equity method investments was insignificant for the years presented.

Investments with remaining maturities less than twelve months or expected to be realized in cash during the next twelve months are classified as short-term investments, and others are classified as long-term investments.

(k) Receivables

The Group adopted ASC 326, *Credit Losses* in 2022, using a modified retrospective approach with a cumulative-effect adjustment recorded as an increase in the opening balance of accumulated deficit on January 1, 2022. The Group's accounts and notes receivable and other receivables recorded in prepayments and other current assets are within the scope of ASC 326. To estimate expected credit losses, the Group has identified the relevant risk characteristics of these items, including size, type of the services provided, historical credit loss experience and industry-specific factors. No material allowance was recognized as of December 31, 2023 and 2024.

(l) Property, equipment and software

Property, equipment and software are stated at cost less accumulated depreciation and impairment (if any). Property, equipment and software are depreciated over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Category	Estimated useful lives
Electronic equipment	3-5 years
Leasehold improvement	Shorter of lease term or estimated useful life of the assets
Buildings	20 years
Motor vehicles	3-5 years
Furniture and fixtures	5 years
Software	5 years

The Group recognized the gain or loss on the disposal of property, equipment and software in other operating income/(expenses) in the consolidated statements of comprehensive income.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Intangible assets

Intangible assets purchased are initially recognized at cost, and intangible assets acquired in a business acquisition are initially recorded at fair value as of the acquisition date. Intangible assets with finite useful lives are amortized on a straight-line basis over the estimated useful lives, which are determined based on the period of contractual rights or estimated period during which such assets can bring economic benefits to the Group. The estimated useful lives are as follows:

Category	Estimated useful lives
Customer relationships	5-10 years
Trademarks	3-10 years
Technology	10 years
Non-compete agreements	5-6 years
Database	3 years
Domains	10 years

(n) Impairment of long-lived assets other than goodwill

Long-lived assets, such as fixed assets and intangible assets with finite useful lives, are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable. The Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to the undiscounted future cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying value of the asset, the Group recognizes an impairment loss based on the excess of the carrying value of the asset over the fair value of the asset. No impairment of long-lived assets was recognized for the years presented.

(o) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired or assumed in a business acquisition. Goodwill is tested for impairment at least annually and more frequently when an event occurs or circumstances change that could indicate that the asset might be impaired. In accordance with ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, the Group first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is mandatory; otherwise, no further testing is required. The quantitative impairment test consists of a comparison of the fair value of the reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss equal to the difference between the carrying amount of the reporting unit and its fair value will be recorded. No impairment of goodwill was recorded for the years presented.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenues

The Group accounted for revenues under ASC 606, *Revenue from Contracts with Customers*. The Group applies the five steps defined under ASC 606: (i) identify the contract(s) with a customer; (ii) identify performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenues when (or as) a performance obligation is satisfied.

According to ASC 606, revenues are recognized net of value-added tax when or as the control of services is transferred to a customer. Depending on the terms of the contract, control of services may be transferred over time or at a point in time. Control of services is transferred over time if one of the following criteria is met: (i) customers simultaneously receive and consume the benefits provided by the Group's performance; (ii) the Group's performance creates or enhances an asset that customers control; or (iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payments for performance completed to date. If control of services is transferred over time, revenues are recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenues are recognized at a point in time when customers obtain control of the services.

Online recruitment services to enterprise customers

The Group provides online recruitment services with different kinds of features to enterprise customers, including direct recruitment services such as job postings, and value-added tools such as bulk invite sending, which could be purchased as a part of a package or on a standalone basis.

Based on the pattern by which the Group provides services and how enterprise customers benefit from services, these services can be divided into two categories in terms of revenue recognition: (i) services over a particular subscription period, which provide enterprise customers certain rights during a particular subscription period; for example, paid job postings allow enterprise customers to present certain job positions, receive job seeker recommendations, browse the mini-resume of and chat with a certain number of job seekers in its platform during the subscription period; and (ii) services with definite and limited number of usages within an expiration period, such as bulk invite sending and advanced filter. Accordingly, the Group recognizes its revenues from online recruitment services either over time or at a point in time as following:

- For services over a particular subscription period, the Group has a stand-ready obligation to deliver the corresponding services on a when-and-if-available basis during the subscription period, and enterprise customers simultaneously and continuously receive and consume the benefits as the Group provides the services throughout the subscription period. Therefore, a time-based measure of progress best reflects the satisfaction of the performance obligations and the Group recognizes related revenues on a straight-line basis over the subscription period.

- For services with definite and limited number of usages within an expiration period, upon the delivery of the individual services, the Group satisfies its performance obligations and enterprise customers benefit from its performance obligations. Therefore, revenues are recognized at a point in time. If these services are unused within the expiration period, the Group recognizes related revenues when they expire.

Other services

Other services mainly represent paid value-added tools offered to job seekers such as increased exposure of resume and candidate competitive analysis.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenues (continued)

Arrangements with multiple performance obligations

Multiple performance obligations exist when enterprise customers purchase subscription packages, which include an array of services. For those services included in subscription packages, the selling prices are consistently made references to the standalone selling prices when sold separately. The Group allocates the transaction price to each performance obligation based on the relative standalone selling price, considering bulk-sale price discounts offered to certain enterprise customers where applicable.

Deferred revenue

The Group records deferred revenue when the Group receives customers' payments in advance of transferring control of services to customers. Substantially all deferred revenue recorded are expected to be recognized as revenues in the next twelve months.

Remaining performance obligations

Remaining performance obligations represent the amount of contracted future revenues not yet recognized as the amount relate to undelivered performance obligations. Substantially all of the Group's contracts with customers are within one year in duration. As such, the Group has elected to apply the practical expedient which allows an entity to exclude disclosures about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

(q) Cost of revenues

Cost of revenues primarily consists of payment processing cost, payroll and other employee-related expenses, server and bandwidth service cost, server depreciation expenses, and other expenses directly attributable to the performance of the Group's online recruitment services.

(r) Sales and marketing expenses

Sales and marketing expenses primarily consist of payroll and other employee-related expenses, advertising expenses and rental expenses for the Group's sales and marketing functions. Advertising expenses primarily include online traffic acquisition cost and brand marketing cost. For the years ended December 31, 2022, 2023 and 2024, advertising expenses were RMB793.2 million, RMB582.1 million and RMB530.4 million, respectively.

(s) Research and development expenses

Research and development expenses primarily consist of payroll and other employee-related expenses, server depreciation expenses and service fees, and rental expenses for research and development functions. All research and development costs are expensed as incurred.

(t) General and administrative expenses

General and administrative expenses primarily consist of payroll and other employee-related expenses for general corporate functions, professional service fees, rental expenses and other general corporate related expenses.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Employee benefits

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC subsidiaries, consolidated VIE and VIE's subsidiaries of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. Total amounts of such employee benefit expenses contributed by the Group, including accrued and unpaid amounts, were RMB395.2 million, RMB449.8 million and RMB470.1 million for the years ended December 31, 2022, 2023 and 2024, respectively.

(v) Share-based compensation

The Group grants share options and RSUs to its management, employees and non-employees. These share-based awards are accounted for in accordance with ASC 718, *Compensation-Stock Compensation,* and measured at the grant-date fair value. Share-based awards with service conditions only are recognized as expenses using the straight-line method over the requisite service period. And forfeitures are accounted for when they occur.

The fair value of share options is estimated using the binomial option-pricing model. The determination of the fair value is affected by the fair value of underlying ordinary shares as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, actual and projected employee and non-employee share option exercise behavior, risk-free interest rates and expected dividend yield. The fair value of the RSUs is estimated based on the fair value of underlying ordinary shares of the Company on the grant date.

(w) Operating leases

The Group accounts for operating leases in accordance with ASC 842, *Leases*. Right-of-use assets and operating lease liabilities are recognized for operating leases at lease commencement date, based on the present value of lease payments over the lease term. As most of the Group's leases do not provide an implicit rate, the Group uses the incremental borrowing rate, based on the information available at lease commencement date, to determine the present value of lease payments. Lease expenses are recognized on a straight-line basis over the lease term. The Group has elected the practical expedient to account for lease and non-lease components as a single lease component.

For operating leases with a term of one year or less, the Group has elected not to recognize any right-of-use asset or lease liability on its consolidated balance sheets. Instead, lease payments are recognized as operating cost and expenses in the consolidated statements of comprehensive income on a straight-line basis over the lease term. Short-term lease expenses are immaterial to the consolidated financial statements.

(x) Income tax

Current income taxes are recorded in accordance with the regulations of the relevant tax jurisdiction. The Group accounts for deferred income taxes under the liability method in accordance with ASC 740, *Income Tax*. Under this method, deferred tax assets and liabilities are recognized for the tax consequences attributable to differences between carrying amounts of existing assets and liabilities in the financial statements and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of comprehensive income in the period of change. Valuation allowances are established when necessary to reduce the amount of deferred tax assets if it is considered more likely than not that amount of deferred tax assets will not be realized.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Income tax (continued)

The Group recognizes the benefit of a tax position if the tax position is more-likely-than-not to prevail based on the facts and technical merits of the position. Tax positions that meet the more-likely-than-not recognition threshold is then measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. The Group estimates its liability for unrecognized tax benefits which are periodically assessed and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from the Group's estimates and any adjustments are recorded in the Group's consolidated financial statements in the period in which the audit is concluded. Additionally, changes in facts, circumstances and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions and such changes are recognized in the period in which the changes occur. As of December 31, 2024, the Group did not have any significant unrecognized uncertain tax positions.

(y) Comprehensive income/(loss)

Comprehensive income/(loss) is defined as the change in equity during a period from transactions and other events and circumstances excluding those resulting from investments by shareholders and distributions to shareholders. The Group recognizes foreign currency translation adjustments and changes in unrealized gains/(losses) on available-for-sale investments as other comprehensive income/(loss) in the consolidated financial statements. The income tax effects related to the other comprehensive income were immaterial for the years presented.

(z) Segment reporting

The Group has one operating and reportable segment mainly engaged in providing online recruitment services. The Group's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM assesses performance and determines resource allocation for the one operating segment based on the consolidated income from operations. The consolidated results regularly provided to the CODM include revenues, significant segment expenses and consolidated income from operations, which are consistent with those reported on the consolidated statements of comprehensive income. The CODM considers year-over-year fluctuations and budget-to-actual variances of these consolidated results when assessing performance and making operating decisions. The Group manages assets on a consolidated basis as reported on the consolidated balance sheets. Additionally, the Group's long-lived assets are substantially located in the PRC and substantially all of the Group's revenues are derived from entities within the PRC.

(aa) Net income per share

Basic net income per share is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted net income per share is calculated by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares and, if dilutive, potential ordinary shares outstanding during the period. Potential ordinary shares consist of shares issuable upon the vesting of RSUs and the exercise of share options using the treasury stock method.

The two-class method is used for computing net income per share. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights, if applicable. Since the different classes of ordinary shares have identical rights except for voting and conversion rights and they share equally in dividends and residual net assets on a per share basis, the different classes of ordinary shares are presented as one class for the calculation of net income per share.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(bb) Recent accounting pronouncements

Recently adopted accounting pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting: Improvements to Reportable Segment Disclosures*, which expands disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss. This standard is required to be applied retrospectively to all prior periods presented in the financial statements, and is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The Group adopted this standard for the fiscal year 2024. The adoption of this standard did not have a material impact on the consolidated financial statements.

Recently issued accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*, which requires disclosure of disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. This standard is required to be applied prospectively, with the option to apply it retrospectively. It's effective for the Group for fiscal years beginning after December 15, 2024, with early adoption permitted. The Group currently does not expect the adoption of this standard will have a material impact on the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of income statement expenses*, which requires disaggregated disclosure of specific expense categories presented on the face of the income statement. The standard can be applied either prospectively to financial statements issued for reporting periods after the effective date of this standard or retrospectively to any or all prior periods presented in the financial statements. It's effective for the Group for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Group is currently evaluating this standard to determine the impact it may have on the consolidated financial statements.

3. CONCENTRATION AND RISKS

(a) Concentration of credit risk

Financial assets that potentially expose the Group to the concentration of credit risk primarily consist of cash and cash equivalents, time deposits and investments in financial instruments placed in financial institutions. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. In the event of the bankruptcy of these financial institutions, the Group may not be able to claim those assets back in full. The Group believes these financial institutions are of high credit rating and quality. The Group regularly monitors the rating and financial strength of these financial institutions to avoid potential defaults.

(b) Foreign currency exchange rate risk

The RMB has fluctuated against the US$ at times significantly and unpredictably. The depreciation of the RMB against the US$ was approximately 3% in 2024. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the US$ in the future.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. BUSINESS ACQUISITION

Acquisition of Beijing Qihui Ruituo Consulting Co., Ltd. ("Beijing Qihui")

On October 11, 2022, the Group completed the acquisition of 100% equity interest of Beijing Qihui, which focuses on providing executive search services for mid-level to senior management and professional technical personnel to employers in the internet industry. The consideration of this acquisition was RMB10.0 million in cash. Additionally, there was a contingent payment arrangement, which was mainly subject to continued employments of the founder of Beijing Qihui and certain key employees and certain performance conditions. The contingent payment arrangement was accounted for as post-combination compensation expenses during the requisite service periods when it is probable that the performance conditions will be met.

The acquisition was accounted for as a business acquisition using the acquisition method of accounting. The consideration of the acquisition was allocated based on the fair value of the assets acquired and the liabilities assumed as of the acquisition date as follows:

	Amount
	RMB
	(In thousands)
Purchase consideration	10,000
Identifiable intangible assets acquired	
—Non-compete agreements	8,400
—Trademarks	1,000
—Database	1,000
Goodwill	5,690
Deferred tax liabilities	(2,080)
Net liabilities assumed	(4,010)
Total	**10,000**

Goodwill arising from the acquisition of Beijing Qihui was primarily attributable to the benefit of the synergies and future business growth expected to be achieved from the acquisition. Goodwill was expected to be non-deductible for income tax purposes.

Acquisition of W.D Technology Investment Group Limited ("W.D Technology")

On February 6, 2024, the Group completed the acquisition of approximately 77% of equity interest of W.D Technology, which is principally engaged in providing blue-collar recruitment services. The consideration of this acquisition was approximately US$52.7 million (approximately RMB374.3 million). The Group obtained control of the investee since it held majority of the investee's equity interest and was entitled to assign majority of the board members, one of whom shall be the chief executive officer of the investee.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. BUSINESS ACQUISITION (CONTINUED)

Acquisition of W.D Technology Investment Group Limited ("W.D Technology") (continued)

The acquisition was accounted for as a business acquisition using the acquisition method of accounting. The consideration of the acquisition was allocated based on the fair value of assets acquired and liabilities assumed as of the acquisition date as follows:

	Amount
	RMB
	(In thousands)
Purchase consideration	374,306
Net assets acquired	208,412
Identifiable intangible assets acquired	
—Customer relationships	94,000
—Trademarks	91,000
—Technology	80,000
—Non-compete agreements	13,000
Goodwill	839
Non-controlling interests	(112,945)
Total	**374,306**

Net assets acquired primarily consisted of cash and cash equivalents of RMB224.0 million, other receivables of RMB37.1 million, property, equipment and software of RMB43.3 million and other payables and accrued liabilities of RMB104.6 million.

Goodwill arising from the acquisition of W.D Technology was primarily attributable to future business growth expected to be achieved from the acquisition. Goodwill was expected to be non-deductible for income tax purposes.

Pro forma results of operations for the acquisition of W.D Technology were not presented because the effect of this acquisition was not material to the Group's consolidated financial statements for the year ended December 31, 2024.

5. INVESTMENTS

	As of December 31,	
	2023	**2024**
	RMB	**RMB**
	(In thousands)	
Short-term investments		
—Wealth management products	2,783,212	4,640,283
—Fixed rate notes	729,348	1,997,243
—Listed equity securities	1,325	1,863
Total short-term investments	**3,513,885**	**6,639,389**
Long-term investments		
—Fixed rate notes	1,969,405	1,607,361
—Wealth management products	354,135	100,778
—Unlisted equity securities	149,588	206,391
Total long-term investments	**2,473,128**	**1,914,530**

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. PREPAYMENTS AND OTHER CURRENT ASSETS

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Deposits	63,201	73,218
Prepaid income tax and value-added tax	46,277	60,675
Receivables related to the exercise of share-based awards*	79,182	56,062
Receivables from third-party online payment platforms	96,560	49,814
Prepaid advertising expenses and service fees	95,318	44,799
Interest receivable	12,863	37,264
Staff loans and advances	25,744	14,429
Others	23,552	31,999
Total	**442,697**	**368,260**

* It mainly represents receivables from a third-party share option brokerage platform for the exercise of share-based awards due to the timing of settlement.

7. PROPERTY, EQUIPMENT AND SOFTWARE, NET

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Electronic equipment	2,149,561	2,481,387
Leasehold improvement	136,541	181,705
Buildings	—	46,236
Motor vehicles	15,251	19,507
Furniture and fixtures	15,384	14,616
Software	7,010	7,424
Total cost	**2,323,747**	**2,750,875**
Less: accumulated depreciation	(530,259)	(1,017,089)
Total property, equipment and software, net	**1,793,488**	**1,733,786**

Depreciation expenses were RMB139.5 million, RMB256.6 million and RMB468.4 million for the years ended December 31, 2022, 2023 and 2024, respectively.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. INTANGIBLE ASSETS, NET

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Customer relationships	—	94,000
Trademarks	1,000	92,587
Technology	—	80,000
Non-compete agreements	8,400	21,400
Database	1,000	1,000
Domains	909	909
Total cost	**11,309**	**289,896**
Less: accumulated amortization	(3,216)	(37,307)
Total intangible assets, net	**8,093**	**252,589**

Majority of intangible assets were acquired in connection with business acquisitions, details of which are included in Note 4. Amortization expenses of intangible assets were RMB0.6 million, RMB2.2 million and RMB33.5 million for the years ended December 31, 2022, 2023 and 2024, respectively.

The estimated amortization expenses related to intangible assets for future periods are as follows:

	Amount
	RMB
	(In thousands)
For the year ended December 31,	
2025	36,187
2026	35,687
2027	35,615
2028	35,250
2029	22,467
Thereafter	87,383
Total	**252,589**

9. ACCOUNTS PAYABLE

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Payables for purchase of property, equipment and software	561,317	33,945
Payables for server custody fees	32,703	39,391
Payables for advertising expenses	15,369	16,458
Others	19,827	20,874
Total	**629,216**	**110,668**

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. OTHER PAYABLES AND ACCRUED LIABILITIES

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Salary, welfare and bonus payable	457,974	429,566
Tax payable	116,657	115,192
Consideration payable for share repurchase	113,387	93,475
Advance from customers*	73,196	90,161
Deposits	—	51,402
Others	17,832	35,971
Total	**779,046**	**815,767**

* It represents advance payments from customers, which are refundable under certain conditions and could be used to exchange for the Group's services.

11. SHAREHOLDERS' EQUITY

Share Repurchase Program

In March 2022, the Company's board of directors authorized a share repurchase program under which the Company may repurchase up to US$150 million of its American depositary shares ("ADSs") over the following 12 months. In March 2023, the Company's board of directors authorized a share repurchase program under which the Company may repurchase up to US$150 million of its shares (including in the form of ADSs) over the following 12 months. In March 2024, the Company's board of directors authorized a share repurchase program under which the Company may repurchase up to US$200 million of its shares (including in the form of ADSs) over the following 12 months. In August 2024, the Company's board of directors authorized a share repurchase program under which the Company may repurchase up to US$150 million of its shares (including in the form of ADSs) over the following 12 months.

The Company repurchased 17,645,098, 3,530,912 and 32,473,978 Class A ordinary shares on the open market for approximately US$131.2 million (RMB918.9 million), US$26.0 million (RMB184.7 million) and US$228.8 million (RMB1,633.0 million) during the years ended December 31, 2022, 2023 and 2024, respectively. The repurchased ordinary shares were accounted for using the cost method and recorded as treasury shares as a component of the shareholders' equity.

Dividend

On November 14, 2023, the board of directors of the Company approved a special cash dividend of US$0.09 per ordinary share or US$0.18 per ADS. The aggregate amount of the special dividend was approximately US$79.2 million, which was fully paid in December 2023. Dividends are recognized when declared.

No dividend was declared during the years ended December 31, 2022 and 2024.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. REVENUES

The Group defines enterprise customers who contributed revenues of RMB50,000 or more annually as key accounts, who contributed revenues between RMB5,000 and RMB50,000 annually as mid-sized accounts, and who contributed revenues of RMB5,000 or less annually as small-sized accounts. Revenues by source are as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Online recruitment services to enterprise customers	4,461,282	5,889,101	7,270,026
—Key accounts	1,033,561	1,261,718	1,771,638
—Mid-sized accounts	1,774,855	2,130,881	2,543,363
—Small-sized accounts	1,652,866	2,496,502	2,955,025
Others	49,780	62,927	85,651
Total	**4,511,062**	**5,952,028**	**7,355,677**

For revenues from online recruitment services to enterprise customers, RMB3,331.0 million, RMB4,340.4 million and RMB5,575.2 million were recognized over time for the years ended December 31, 2022, 2023 and 2024, respectively; RMB1,130.2 million, RMB1,548.7 million and RMB1,694.8 million were recognized at a point in time for the years ended December 31, 2022, 2023 and 2024, respectively.

13. OPERATING LEASE

The Group's operating leases are primarily for offices. The components of lease expenses are as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Operating lease expenses	162,448	182,591	200,017
Short-term lease expenses	1,947	4,424	8,299
Total	**164,395**	**187,015**	**208,316**

Supplemental balance sheet information related to operating leases is as follows:

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Right-of-use assets, net	282,612	302,856
Operating lease liabilities, current	155,014	180,782
Operating lease liabilities, non-current	125,079	121,345
Total operating lease liabilities	**280,093**	**302,127**

	As of December 31,	
	2023	2024
Weighted average remaining lease term (in years)	2.05	2.15
Weighted average discount rate	4.77 %	4.78 %

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. OPERATING LEASE (CONTINUED)

Supplemental cash flow information related to operating leases is as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Cash paid for amounts included in the measurement of operating lease liabilities	154,626	184,101	188,137

Maturities of operating lease liabilities are as follows:

	Amount
	RMB
	(In thousands)
For the year ended December 31,	
2025	186,825
2026	82,346
2027	28,622
2028	14,294
2029	6,353
Thereafter	337
Total undiscounted lease payments	**318,777**
Less: imputed interest	(16,650)
Total operating lease liabilities	**302,127**

14. INCOME TAX

Cayman Islands

The Company was incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, no Cayman Islands withholding tax will be imposed upon payments of dividends to shareholders.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Group's subsidiaries in Hong Kong are subject to 16.5% Hong Kong profit tax on taxable income generated from operations in Hong Kong. Additionally, payments of dividends by subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

Mainland China

Under the PRC Enterprise Income Tax Law (the "EIT Law"), domestic enterprises and foreign invested enterprises are subject to a uniform enterprise income tax rate of 25%. In accordance with the implementation rules of the EIT Law, a qualified High and New Technology Enterprise ("HNTE") is eligible for a preferential tax rate of 15%. The HNTE certificate is effective for a period of three years and could be re-applied when the prior certificate expires. Huapin is qualified as a HNTE and enjoys a preferential income tax rate of 15% for the years presented.

According to relevant laws and regulations promulgated by the State Taxation Administration ("STA") of the PRC effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their qualified research and development expenses incurred as tax deductible expenses("Super R&D Deduction") when determining their assessable profits for the year. Pursuant to the announcement issued by the STA of the PRC and other government authorities in September 2022, the Super R&D Deduction rate increased to 200% for the period from October 1, 2022 to December 31, 2022. In March 2023, the STA of the PRC further announced that the 200% Super R&D Deduction rate would continue to be applied from January 1, 2023. Additionally, HNTEs are entitled to claim 200% of the purchase of equipment and appliances made during the period from October 1, 2022 to December 31, 2022 as tax deductible expenses for the year ended December 31, 2022.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX (CONTINUED)

Components of income/(loss) before income tax are as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Income from Chinese mainland operations	125,529	809,506	1,616,998
(Loss)/Income from non-Chinese mainland operations	(8,533)	412,283	215,662
Total	**116,996**	**1,221,789**	**1,832,660**

Components of income tax expenses are as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Current income tax expenses	427	108,488	257,096
Deferred income tax expenses	9,324	14,083	8,538
Total	**9,751**	**122,571**	**265,634**

The following table sets forth a reconciliation between the PRC statutory income tax rate of 25% and the Group's effective tax rate:

	For the year ended December 31,		
	2022	2023	2024
PRC statutory income tax rate	25.00 %	25.00 %	25.00 %
Effect of tax-exempt entities and tax rates in different jurisdictions	(21.95)%	(5.72)%	(1.74)%
Effect of PRC preferential tax rates	(10.43)%	(7.72)%	(8.67)%
Effect of permanent difference*	(11.00)%	0.36 %	1.77 %
Changes in valuation allowance	16.63 %	(2.40)%	(3.33)%
Others	10.08 %	0.51 %	1.46 %
Effective tax rate	**8.33 %**	**10.03 %**	**14.49 %**

* The effect of permanent difference for the year ended December 31, 2022 was primarily related to additional tax deductions for qualified research and development expenses and newly purchased equipment, partially offset by non-deductible share-based compensation expenses.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX (CONTINUED)

The following table sets forth the significant components of deferred tax assets and liabilities:

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Deferred tax assets		
Deductible advertising expenses	225,344	144,192
Net operating loss carry-forwards	99,606	137,310
Others	77	194
Total deferred tax assets	**325,027**	**281,696**
Less: valuation allowance	(325,027)	(281,696)
Deferred tax assets, net of valuation allowance	—	—
Deferred tax liabilities		
Accelerated tax depreciation	(19,122)	(25,688)
Unrealized gains from investments	(7,740)	(7,613)
Identifiable intangible assets arising from business acquisition	(1,563)	(1,150)
Total deferred tax liabilities	**(28,425)**	**(34,451)**
Deferred tax liabilities, net of deferred tax assets	**(28,425)**	**(34,451)**

As of December 31, 2024, the Group had accumulated tax losses of approximately RMB629.3 million, mainly derived from certain entities incorporated in the Chinese mainland and Hong Kong. The tax losses in PRC can be carried forward for five years to offset future taxable profit, and the period is extended to 10 years for entities qualified as HNTEs. The tax losses in Hong Kong can be carried forward with no expiration date.

Valuation allowance is recognized against deferred tax assets based on a more-likely-than-not threshold. In making such determination, the Group evaluates a variety of factors including future reversals of existing taxable temporary differences and future profitability. A full valuation allowance was recognized against deferred tax assets that arose from deductible advertising expenses as there was no positive evidence to conclude that the benefit of such deferred tax assets would be more-likely-than-not to be realized in the foreseeable future. And deferred tax assets arising from net operating loss carry-forwards were also provided for full valuation allowance because the consolidated entities that have net operating loss carry-forwards were expected to continue to be loss-making in the foreseeable future.

Movements of valuation allowance are as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Balance at beginning of the year	334,848	354,306	325,027
Change of valuation allowance	19,458	(29,279)	(43,331)
Balance at end of the year	**354,306**	**325,027**	**281,696**

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION

In 2020, the Group adopted the 2020 Share Incentive Plan, which allows the Group to grant share-based awards to directors, employees and consultants. Share-based awards granted under the 2020 Share Incentive Plan contain service conditions, which are mainly subject to one of the following vesting schedules: (i) 25% of the share options shall become vested on each anniversary of the vesting commencement date for 4 years thereafter; (ii) 50% of the share options shall become vested on each anniversary of the vesting commencement date for 2 years thereafter; and (iii) immediately vested upon grant. The Company did not grant any share-based awards pursuant to the 2020 Share Incentive Plan since the listing on the Main Board of The Stock Exchange of Hong Kong Limited in December 2022.

In December 2022, the Group adopted the Post-IPO Share Scheme, which allows the Group to grant share-based awards to directors, employees and officers. The maximum number of Class A ordinary shares that may be issued under the Post-IPO Share Scheme is 86,380,904.

(a) Share options

The following table summarizes activities of share options for the years ended December 31, 2022, 2023 and 2024:

	Number of share options	Weighted average exercise price	Weighted average remaining contractual life	Aggregate intrinsic value	Weighted average grant-date fair value
		US$	In Years	US$ in thousands	US$
Outstanding as of January 1, 2022	82,475,968	2.71	8.05	1,214,916	2.82
Granted*	8,424	0.00			
Exercised	(12,413,256)	1.59			
Forfeited	(1,709,938)	3.39			
Outstanding as of December 31, 2022	**68,361,198**	**2.90**	**7.23**	**498,336**	**2.99**
Exercised	(11,810,406)	2.16			
Forfeited	(718,812)	4.09			
Outstanding as of December 31, 2023	**55,831,980**	**3.04**	**6.34**	**294,189**	**3.15**
Granted*	120,000	6.03			
Exercised	(10,247,906)	2.57			
Forfeited	(1,025,846)	4.83			
Outstanding as of December 31, 2024	**44,678,228**	**3.11**	**5.44**	**169,354**	**3.25**
Vested and expected to vest as of December 31, 2024	44,678,228	3.11	5.44	169,354	3.25
Exercisable as of December 31, 2024	38,248,408	2.91	5.28	152,763	2.81

* The weighted average grant-date fair value of share options granted in 2022 and 2024 was US$12.13 and US$0.10, respectively.

The aggregate intrinsic value is calculated as the difference between the exercise price of share options and the estimated fair value of the underlying ordinary share at each reporting date.

As of December 31, 2024, there were US$12.1 million of unrecognized compensation expenses related to share options, which are expected to be recognized over a weighted-average period of 0.37 years and may be adjusted for future forfeitures.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE-BASED COMPENSATION (CONTINUED)

(b) RSUs

The following table summarizes activities of RSUs for the years ended December 31, 2022, 2023 and 2024:

	Number of RSUs	Weighted average grant-date fair value
		US$
Outstanding as of January 1, 2022	3,521,118	19.05
Granted	19,686,470	
Vested	(1,959,584)	
Forfeited	(435,058)	
Outstanding as of December 31, 2022	**20,812,946**	**11.23**
Granted	26,216,836	
Vested	(6,109,908)	
Forfeited	(1,461,262)	
Outstanding as of December 31, 2023	**39,458,612**	**9.58**
Granted	6,065,856	
Vested	(11,721,356)	
Forfeited	(2,265,298)	
Outstanding as of December 31, 2024	**31,537,814**	**9.20**

As of December 31, 2024, there were US$241.7 million of unrecognized compensation expenses related to RSUs, which are expected to be recognized over a weighted-average period of 2.35 years and may be adjusted for future forfeitures.

(c) Share-based compensation expenses by function

The following table sets forth the amounts of share-based compensation expenses included in each of the relevant financial statement line items:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
		(In thousands)	
Cost of revenues	39,587	46,395	43,332
Sales and marketing expenses	170,366	262,431	280,668
Research and development expenses	284,323	418,769	421,411
General and administrative expenses	197,928	329,372	398,274
Total	**692,204**	**1,056,967**	**1,143,685**

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. NET INCOME PER SHARE

The computation of basic and diluted net income per share for the years ended December 31, 2022, 2023 and 2024 is as follows:

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
	(In thousands, except share and per share data)		
Numerator			
Net income attributable to ordinary shareholders of KANZHUN LIMITED	107,245	1,099,227	1,584,664
Denominator			
Weighted average number of ordinary shares used in computing basic net income per share	868,941,151	870,304,878	881,882,225
Dilutive effect of share-based awards	43,200,840	32,431,117	27,346,532
Weighted average number of ordinary shares used in computing diluted net income per share	**912,141,991**	**902,735,995**	**909,228,757**
Net income per share attributable to ordinary shareholders of KANZHUN LIMITED			
—Basic	0.12	1.26	1.80
—Diluted	0.12	1.22	1.74

17. RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into the following material transactions with the Company's major shareholder, Tencent Holdings Limited and its affiliates ("Tencent Group"):

	For the year ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
	(In thousands)		
Cloud services from Tencent Group	26,256	22,375	11,945
Online payment clearing services and other services from Tencent Group	4,533	6,258	9,101
Total	**30,789**	**28,633**	**21,046**

Details of major amounts due from related parties are as follows:

	As of December 31,	
	2023	2024
	RMB	RMB
	(In thousands)	
Receivables from the online payment platform of Tencent Group	2,569	6,719
Prepaid service fee to Tencent Group	1,397	539
Total	**3,966**	**7,258**

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis

Information about inputs into the fair value measurement of the Group's assets that are measured at fair value on a recurring basis in periods subsequent to their initial recognition is as follows:

		Fair value measurement at reporting date using		
Description	**Fair value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	RMB	**RMB**	**RMB**	**RMB**
		(In thousands)		
As of December 31, 2023				
Short-term investments				
—Wealth management products	2,783,212	—	2,783,212	—
—Listed equity securities	1,325	1,325	—	—
Long-term investments				
—Wealth management products	354,135	—	354,135	—
—Unlisted equity securities	149,588	—	—	149,588
As of December 31, 2024				
Short-term investments				
—Wealth management products	4,640,283	—	4,640,283	—
—Listed equity securities	1,863	1,863	—	—
Long-term investments				
—Wealth management products	100,778	—	100,778	—
—Unlisted equity securities	151,714	—	—	151,714

Wealth management products. The fair value of wealth management products is estimated based on the quoted prices of similar financial products provided by financial institutions, which is classified as Level 2 in the fair value hierarchy.

Listed equity securities. The Group measures investments in listed equity securities at quoted prices in active markets, and this market approach is classified as Level 1 in the fair value hierarchy.

Unlisted equity securities. For investments in unlisted equity securities that are classified as available-for-sale investments, the fair value is estimated using a market approach through a backsolve method benchmarking recent comparable financing transactions. This valuation method applies unobservable inputs and assumptions including the investee's recent financing pricing and liquidity factors, which is classified as Level 3 in the fair value hierarchy.

Assets measured at fair value on a nonrecurring basis

The Group measures certain assets, including property, equipment and software and intangible assets, at fair value when they are deemed to be impaired. No impairment was recognized for the years presented.

Assets and liabilities not measured at fair value but fair value disclosure is required

Time deposits. The fair value of time deposits is estimated based on the prevailing interest rates in the market, which is classified as Level 2 in the fair value hierarchy. The fair value of time deposits approximates their carrying value.

Held-to-maturity debt securities. The fair value of held-to-maturity debt securities is estimated based on the prevailing interest rates in the market, which is classified as Level 2 in the fair value hierarchy. The fair value of held-to-maturity debt securities approximates their carrying value.

Receivables and payables. The fair value of accounts and notes receivable, amounts due from related parties, other receivables, accounts payable, other payables and accrued liabilities approximates their carrying value due to their short-term maturity.

KANZHUN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. COMMITMENTS AND CONTINGENCIES

Commitments

The Group engages third parties for promoting its brand image through various advertising channels. The advertising commitments contracted but not yet reflected in the consolidated financial statements amounted to RMB39.6 million as of December 31, 2024.

Contingencies

The Group and certain of its officers and directors were named as defendants in a putative securities class action in July 2021. In September 2022, the parties reached a tentative agreement in principle to settle the case. And the settlement amount was paid in December 2022. In April 2023, the court granted final approval of the settlement and terminated the case. No related contingent liabilities were recognized as of December 31, 2023.

As of December 31, 2024, the Group did not have any material litigations and no material liabilities were recorded in this regard.

20. RESTRICTED NET ASSETS

Relevant PRC laws and regulations permit payments of dividends by the Company's subsidiaries and consolidated VIE incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with the PRC accounting standards and regulations.

In accordance with the laws applicable to the foreign invested enterprises established in the PRC, a foreign invested enterprise is required to make appropriations from after-tax profits as determined in accordance with the PRC accounting standards to reserve funds, including general reserve fund, enterprise expansion fund and staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits as determined in accordance with the PRC accounting standards until such fund has reached 50% of its registered capital. Appropriations to the enterprise expansion fund and staff bonus and welfare fund are made at the respective company's discretion. The aforementioned reserve funds can only be used for specific purposes and are not distributable as cash dividends.

In addition, in accordance with the PRC Company Law, a domestic enterprise is required to make appropriations from after-tax profits as determined in accordance with the PRC accounting standards to reserve funds, including statutory surplus fund and discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax profits until such fund has reached 50% of its registered capital. Appropriation to the discretionary surplus fund is made at the discretion of the respective company. The aforementioned reserve funds can only be used for specific purposes and are not distributable as cash dividends.

Accordingly, under these PRC laws and regulations, the Company's subsidiaries and the VIE incorporated in PRC are restricted in transferring a portion of their net assets to the Company in the form of dividends. Amounts of these restricted net assets, including paid-in capital and statutory reserve funds, totaled approximately RMB767.9 million, or 5.1% of the Group's total consolidated net assets as of December 31, 2024.

KANZHUN LIMITED

AMENDED AND RESTATED STATEMENT OF POLICIES GOVERNING MATERIAL NON-PUBLIC INFORMATION AND THE PREVENTION OF INSIDER TRADING

(AS ADOPTED BY THE BOARD OF DIRECTORS OF KANZHUN LIMITED ON DECEMBER 22, 2023)

This Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading (this "**Statement**") applies to all directors, officers, employees and consultants of KANZHUN LIMITED and its subsidiaries and affiliated entities (collectively, the "**Company**").

This Statement consists of three sections: Section I provides an overview; Section II sets forth the Company's policies prohibiting insider trading; and Section III explains insider trading.

I. SUMMARY

Preventing insider trading is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company, as well as that of all persons affiliated with it. "Insider trading" occurs when any person purchases or sells any securities while in possession of inside information relating to the securities. As explained in Section III below, "inside information" is information which is considered to be both "material" and "non-public."

The Company considers strict compliance with the policies set forth in this Statement (collectively, the "**Policy**") to be a matter of utmost importance. Violation of the Policy could cause extreme reputational damage and possible legal liability to you and the Company. Knowing or willful violations of the letter or spirit of the Policy will be grounds for immediate dismissal from the Company. Violation of the Policy might expose the violator to severe criminal penalties, as well as civil liability to any person harmed by the violation. The monetary damages flowing from a violation could be multiple times the profit realized by the violator, not to mention the attorney's fees of the persons harmed.

This Statement applies to all directors, officers, employees and consultants of the Company and extends to all of such persons' activities within and outside their duties at the Company. Every director, officer, employee and consultant of the Company must review this Statement, and when requested by the Company, must execute and return the Certificate of Compliance attached hereto to the Compliance Officer for the Company (the "**Compliance Officer**") within seven (7) days after receiving the request. Questions regarding this Statement should be directed to the Compliance Officer by e-mail at compliance@kanzhun.com.

II.
POLICIES PROHIBITING INSIDER TRADING

For purposes of this Statement, the terms "purchase" and "sell" of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards, if applicable, that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to the policies set forth below. The Policy does not apply to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold ordinary shares or American Depositary Shares ("**ADSs**") subject to an option or other award to satisfy tax withholding requirements.

A. ***No Trading*** **– No director, officer, employee or consultant of the Company may purchase or sell any ADSs, ordinary shares or other securities of the Company or enter into a binding security trading plan in compliance with Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended (a "Trading Plan") while in possession of material non-public information relating to the Company or its ADSs, ordinary shares or other securities (the "Material Information")**.

In the event that the Material Information possessed by you relates to the ADSs or other securities of the Company, the above policy will require waiting for at least forty-eight (48) hours after public disclosure of the Material Information by the Company, which forty-eight (48) hours shall include in all events at least one full Trading Day on the stock exchange where the Company's ADSs representing its Class A ordinary shares are listed and traded (the "**Stock Exchange**") following such public disclosure. The term "**Trading Day**" is defined as a day on which the Stock Exchange is open for trading. Except for public holidays in the United States, the Stock Exchange's regular trading hours are from 9:30 a.m. to 4:00 p.m., New York City time, Monday through Friday.

In addition, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan, without the prior clearance by the Compliance Officer, during any period designated as a "limited trading period" by the Company, regardless of whether such director, officer, employee or consultant possesses any Material Information.

Furthermore, all transactions in the securities of the Company (including without limitation, acquisitions and dispositions of the ADSs, the sale of ordinary shares issued upon exercise of options or vesting of other share-based awards and the execution of a Trading Plan, but excluding the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve the sale of securities) by directors, officers and key employees designated by the Company from time to time must be pre-approved by the Compliance Officer.

Please see Section III below for an explanation of the Material Information.

B. ***Trading Window*** **– Assuming none of the "no trading" restrictions set forth in Section II-A above applies, no director, officer, employee or consultant of the Company may**

purchase or sell any securities of the Company or enter into a Trading Plan other than during a Trading Window.

A "**Trading Window**" is the period in any fiscal quarter of the Company commencing at the close of business on the second Trading Day following the date of the Company's public disclosure of its financial results for the prior year or quarter, as applicable, and ending on December 31, March 31, June 30 or September 30, as the case may be.

In other words,

(1) beginning on January 1 of each year, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company's public disclosure of its financial results for the fiscal year ended on December 31 of the prior year, and

(2) beginning on April 1, July 1 and October 1 of each year, respectively, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company's public disclosure of its financial results for the fiscal quarter ended on March 31, June 30 and September 30 of that year, respectively.

If the Company's public disclosure of its financial results for the prior period occurs on a Trading Day more than four hours before the Stock Exchange closes, then such date of disclosure shall be considered the first Trading Day following such public disclosure.

Please note that trading in any securities of the Company during the Trading Window is not a "safe harbor," and all directors, officers, employees and consultants of the Company should strictly comply with the Policy.

When in doubt, do not trade! Check with the Compliance Officer first.

Notwithstanding the foregoing, sale of securities of the Company pursuant to an existing Trading Plan which was entered into in accordance with the Policy and in compliance with applicable law is not subject to the restrictions on trading in Sections II-A and II-B above.

C. ***No Tipping*** – No director, officer, employee or consultant of the Company may directly or indirectly disclose any Material Information to anyone who trades in securities (so-called "tipping") , regardless of whether the person or entity who receives the information, the "tippee," is related to you and regardless of whether you receive any monetary benefit from the tippee.

D. ***Confidentiality*** – No director, officer, employee or consultant of the Company may communicate any Material Information to anyone outside the Company under any circumstances unless approved by the Compliance Officer in advance, or to anyone within the Company other than on a need-to-know basis.

E. ***No Comment*** – No director, officer, employee or consultant of the Company may discuss any internal matters or developments of the Company with anyone outside the Company, except as required for the performance of regular corporate duties. Unless you are expressly authorized to the contrary, if you receive any inquiries about the Company or its securities by the financial press, research analysts or others, or any requests for comments or interviews, you are required to decline comment and direct the inquiry or request to the Company's Chief Financial Officer, who is responsible for coordinating and overseeing the release of information of the Company to the investing public, analysts and others in compliance with applicable laws and regulations.

F. ***Corrective Action*** – If you become aware that any potential Material Information has been or may have been inadvertently disclosed, you must notify the Compliance Officer immediately so that the Company can determine whether or not corrective action, such as general disclosure to the public, is warranted.

G. ***Rule 10b5-1 Trading Plans*** –Rule 10b5-1 provides an affirmative defense against insider trading liability under U.S. securities laws. A person subject to this Policy can rely on this defense and trade in the Company's securities, regardless of their awareness of inside information, if the transaction occurs pursuant to a pre-arranged written Trading Plan that was entered into when the person was not in possession of material non-public information and that complies with the requirements of Rule 10b5-1.

Anyone subject to this Policy who wishes to enter into a Trading Plan must submit the Trading Plan to the Compliance Officer for approval at least five business days prior to the planned entry into the Trading Plan. Trading Plans may not be adopted by a person when he or she is in possession of material non-public information about the Company or its securities and must comply with the requirements of Rule 10b5-1 (including specified waiting periods and limitations on multiple overlapping plans and single trade plans).

Once a Trading Plan is adopted, you must not exercise any subsequent influence over the amount of securities to be traded, the price at which they are to be traded or the date(s) of the trade(s). You may amend or replace a Trading Plan only during periods when trading is permitted in accordance with this Policy, and you must submit any proposed amendment or replacement of a Trading Plan to the Compliance Officer for approval prior to adoption. You must provide notice to the Compliance Officer prior to terminating a Trading Plan. You should understand that a modification or termination of a Trading Plan may call into question your good faith in entering into and operating the plan (and therefore may jeopardize the availability of the affirmative defense against insider trading allegations).

III.
EXPLANATION OF INSIDER TRADING

As noted above, "**insider trading**" refers to the purchase or sale of a security while in possession of "material" "non-public" information relating to the security. "Securities" include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" and "sale" are defined broadly under the U.S. federal securities laws. "Purchase" includes not only the actual purchase of a security, but any contract to purchase or otherwise

acquire a security. “Sale” includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, the grant and exercise of stock options and acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that “**insider trading**” includes the following:

- trading by insiders while in possession of material non-public information;
- trading by persons other than insiders while in possession of material non-public information where the information either was given in breach of an insider’s fiduciary duty to keep it confidential or was misappropriated; and
- communicating or tipping material non-public information to others, including recommending the purchase or sale of a security while in possession of material non-public information.

As noted above, for purposes of this Statement, the terms “purchase” and “sell” of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to the Policy.

What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the securities. Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information concerning:

- dividends;
- corporate earnings or earnings forecasts, or changes to previously released earnings announcements or guidance;
- changes in financial condition or asset value;
- negotiations for the mergers or acquisitions or dispositions of significant subsidiaries or assets;
- significant new contracts or the loss of a significant contract;
- significant new products or services;
- significant marketing plans or changes in such plans;

- capital investment plans or changes in such plans;
- material litigation, administrative action or governmental investigations or inquiries about the Company, any of its affiliated companies, or any of its officers or directors;
- significant borrowings or financings;
- defaults on borrowings;
- new equity or debt offerings;
- adoption of repurchase plans or amendment of existing repurchase plans;
- significant personnel changes;
- a material cybersecurity incident or risk that may adversely impact the Company's business, reputation or share value;
- changes in accounting methods and write-offs; and
- any substantial change in industry circumstances or competitive conditions which could significantly affect the Company's earnings or prospects for expansion.

A good general rule of thumb: **when in doubt, do not trade**.

What is Non-public?

Information is "**non-public**" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg, Associated Press, PR Newswire or United Press International. Circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow approximately forty-eight (48) hours following publication as a reasonable waiting period before such information is deemed to be public.

Who is an Insider?

"**Insiders**" include directors, officers, employees and consultants of a company and anyone else who has material non-public information about a company. Insiders have independent fiduciary duties to their company and its shareholders not to trade on material non-public information relating to the company's securities. All directors, officers, employees and consultants of the Company are considered insiders with respect to material non-public information about business, activities and securities of the Company. The directors, officers, employees and consultants of the Company may not trade the Company's securities while in possession of material non-public information relating to the Company or tip (or communicate except on a need-to-know basis) such information to others.

It should be noted that trading by household members of a director, officer, employee or consultant can be the responsibility of such director, officer, employee or consultant under certain circumstances and could give rise to legal and Company-imposed sanctions.

Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material non-public information to a third party (a "**tippee**"), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material non-public information tipped to them or individuals who trade on material non-public information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material non-public information tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the material non-public information along to others who trade on such information. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in the unlawful conduct and their employers. The United States Securities and Exchange Commission and the United States Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the U.S. federal securities laws include:

- administrative sanctions;
- sanctions by self-regulatory organizations in the securities industry;
- civil injunctions;
- damage awards to private plaintiffs;
- disgorgement of profits gained by the violator;
- civil fines for the violator of up to three times the amount of profit gained or loss avoided by the violator;
- civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of approximately US$2,500,000 or three times the amount of profit gained or loss avoided by the violator;
- criminal fines for individual violators of up to US$5,000,000 (US$25,000,000 for an entity); and
- jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including immediate dismissal. Insider trading violations are not limited to violations of the U.S. federal securities laws. Other U.S. federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated upon the occurrence of insider trading.

Material Non-public Information Regarding Other Companies

This Policy and the guidelines described herein also apply to material non-public information relating to other companies, including the Company's customers, vendors and suppliers ("**Business Partners**"), particularly when that information is obtained in the course of employment with, or other services performed by, or on behalf of, the Company. Civil and criminal penalties, and discipline, including termination of employment for cause, may result from trading on material non-public information regarding the Company's Business Partners. Each individual should treat material non-public information about the Company's Business Partners with the same care required with respect to information related directly to the Company.

Individual Responsibility

Each person subject to this Policy is individually responsible for complying with this Policy and ensuring the compliance of any family members, such as spouses, minor children, adult family members who share the same household, and any other person or entity whose securities trading decisions are influenced or controlled by the person whose transactions are subject to this Policy. Accordingly, you should make your family and household members aware of the need to confer with you before they trade in the Company's securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws concerning trading while in possession of material non-public information as if the transactions were for your own account.

CERTIFICATION OF COMPLIANCE

TO: Compliance Officer

RE: AMENDED AND RESTATED STATEMENT OF POLICIES OF KANZHUN LIMITED GOVERNING MATERIAL NON-PUBLIC INFORMATION AND THE PREVENTION OF INSIDER TRADING

I have received, reviewed, and understand the policies set forth in the above-referenced Amended and Restated Statement of Policies (such policies, as amended from time to time, the "**Policy**") and hereby undertake, as a condition to my present and continued employment at or association with KANZHUN LIMITED or any of its subsidiaries or affiliated entities, to comply fully with the Policy.

I hereby certify that I have adhered to the Policy during the time period that I have been employed by or associated with KANZHUN LIMITED or any of its subsidiaries or affiliated entities.

I hereby undertake to adhere to the Policy in the future.

Signature: _____
Name: _____
ID Card Number: _____
Title: _____
Date: _____

Exhibit 12.1

Certification by the Principal Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peng Zhao, certify that:

1. I have reviewed this annual report on Form 20-F of KANZHUN LIMITED;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 10, 2025

By: /s/ Peng Zhao
Name: Peng Zhao
Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yu Zhang, certify that:

1. I have reviewed this annual report on Form 20-F of KANZHUN LIMITED;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 10, 2025

By: /s/ Yu Zhang
Name: Yu Zhang
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of KANZHUN LIMITED (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peng Zhao, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 10, 2025

By: /s/ Peng Zhao
Name: Peng Zhao
Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of KANZHUN LIMITED (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yu Zhang, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 10, 2025

By: /s/ Yu Zhang
Name: Yu Zhang
Title: Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-261609 and 333-270709) and Form F-3 (File No. 333-268834) of KANZHUN LIMITED of our report dated April 10, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
April 10, 2025

Exhibit 15.2

天元律师事务所
TIAN YUAN LAW FIRM

April 10, 2025

Kanzhun Limited (the "**Company**")
21/F, GrandyVic Building
Taiyanggong Middle Road
Chaoyang District, Beijing 100020
People's Republic of China

Ladies and Gentlemen:

We hereby consent to the use and reference to our name and our opinions and views under the captions "Item 3. Key Information—D. Risk Factors," "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIE and Its Shareholders," and "Item 10. Additional Information—E. Taxation" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2024 (the "**Annual Report**") which will be filed with the Securities and Exchange Commission (the "**SEC**") on April 10, 2025, and further consent to the incorporation by reference of the summaries of our opinions that appear in the Annual Report into the registration statements (No. 333-261609 and 333-270709) on Form S-8 and the registration statement (No. 333-268834) on Form F-3. We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

– signature page to follow –

Yours faithfully,

/s/ Tian Yuan Law Firm
Tian Yuan Law Firm

Exhibit 15.3

Our ref MCR/753303-000006/32040030v1

KANZHUN LIMITED
21/F, GrandyVic Building
Taiyanggong Middle Road
Chaoyang District, Beijing, 100020
People's Republic of China

10 April 2025

Dear Sirs

KANZHUN LIMITED

We have acted as legal advisers as to the laws of the Cayman Islands to KANZHUN LIMITED, an exempted company incorporated in the Cayman Islands with limited liability (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2024 (the "**Annual Report**").

We hereby consent to the reference to our firm under the heading "Item 10. Additional Information—E. Taxation—Cayman Islands Taxation" in the Annual Report and further consent to the incorporation by reference into the Registration Statements on Form S-8 (File Nos. 333-261609 and 333-270709) filed on 13 December 2021 and 21 March 2023, respectively and the Registration Statement on Form F-3 (File No. 333-268834) filed on 16 December 2022 of the summary of our opinion under the heading "Item 10. Additional Information—E. Taxation—Cayman Islands Taxation" in the Annual Report.

We consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP
Maples and Calder (Hong Kong) LLP