
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any investment. Some of the particular risks of investing in our Shares are set out in “Risk Factors”. You should read the entire document carefully before you decide to invest in our Shares.

OVERVIEW

Who We Are

We are the largest online recruitment platform in China in terms of average MAU and online recruitment revenue in 2021 and the six months ended June 30, 2022. We had a market share of 6.1% in the online recruitment industry in terms of online recruitment revenue in the six months ended June 30, 2022, which is the highest among online recruitment platforms. We are also the second largest market participant in China’s recruitment market in terms of recruitment revenue in 2021 and the six months ended June 30, 2022, with a market share of 2.1% and 2.3% in the same periods, respectively. We have pioneered the “direct recruitment model” that captures the essence of real-world recruitment scenario through innovatively embedding two-way communication and two-sided recommendation into the online recruitment process on a mobile-native platform. We were the first in China to adopt the direct recruitment model for the online recruitment industry. Our innovative business model is developed on an approach that is fundamentally different from other existing business models at the time of its inception and has since transformed the online recruitment industry and user behavior in China.

Leveraging the power of our business model and technology innovations, we efficiently connect job seekers and enterprise users and reinvent how they interact with each other, thereby greatly improving their job hunting and recruitment efficiency, which in turn contributed to our business success in terms of scale and growth. Our average MAU reached 25.9 million in the six months ended June 30, 2022. Our verified job seekers, verified enterprise users and verified enterprises reached 100.8 million, 17.2 million and 8.9 million as of June 30, 2022, respectively. Our paid enterprise customers reached 3.8 million in the twelve months ended June 30, 2022. In the six months ended June 30, 2022, our platform generated an average of 3.0 billion chat messages every month.

We have also achieved full user coverage of white and gold-collar users, blue-collar users and college students, and have served a full spectrum of employers, large and small, in numerous industries and from diverse geographical areas. As of June 30, 2022, white and gold-collar users, blue-collar users, and college students as percentage of our job seeker user base reached 54.5%, 29.3% and 16.2%, respectively. We serve all of the 2021 Fortune China 500 companies. Out of the total number of verified enterprises we served, 84.6% had less than 100 employees as of June 30, 2022.

Pain Points Our Industry Faces

Recruitment services market is the fastest-growing segment in China’s human resource services market between 2021 and 2026 with a CAGR of 18.7%. With job seekers and employers increasingly embarking on their job hunting and recruitment journeys online, China’s online recruitment market’s size in terms of revenue is expected to increase from RMB71.4 billion in 2021 to RMB250.8 billion in 2026, representing a CAGR of 28.6% between 2021 and 2026. Market participants in China’s recruitment market primarily include online recruitment platforms, online classifieds, online portals offered by recruiting agencies and traditional recruiting agencies, such as headhunting firms and recruitment process outsourcing agencies.

SUMMARY

The online recruitment industry in China has traditionally suffered from two pain points: job seekers find it difficult to locate suitable job positions, and employers find it hard to secure suitable job candidates. Job seekers and employers yearn for a new platform that can deliver unprecedented efficiency.

These pain points have been caused by the following three common characteristics of the traditional industry players.

- **Resume centric.** Traditional resume centric model provides limited functionality beyond submission and downloading of resumes. Information flows one way, only from job seekers to employers, via a few pages of stylized introductions, and job seekers often receive tardy responses, if any.
- **Search-based.** A search-based model unevenly drives internet traffic towards top candidates with stellar credentials and well-known corporations with deep pockets, leaving behind the vast majority of other job seekers and SMEs with substantial unmet demand. This led to an inability for traditional online recruitment platforms to tap into the blue-collar recruitment market and serve the traditionally underserved SME employers.
- **Limited user coverage.** Because of traditional models' inability to provide customized and accurate recommendations, they are forced to limit their user coverage and focus on serving only a subset of users.

Cognizant of the industry pain points and their root causes, our founders set out eight years ago to create a transformative mobile-native product “BOSS Zhipin” that is communication-oriented, provides feed-based recommendation and attracts a full spectrum of users. Our innovative business model has proven to be more efficient and effective, delivering better outcomes for both job seekers and enterprises, which in turn contributes to our rapid growth and industry leading position.

Our Platform

We connect job seekers and enterprise users in an efficient and seamless manner mainly through our highly interactive BOSS Zhipin mobile app, a mobile-native online recruitment platform that promotes instant direct chats between enterprise users and job seekers, delivers accurate matching results, and is powered by proprietary algorithms and big data insights. We are relentlessly focused on enhancing user experience by delivering efficient, intuitive and convenient experience to them throughout the recruitment cycle.

Our platform participants

Job seekers: We have a large and fast growing pool of job seekers consisting of white and gold-collar users, blue-collar users and college students.

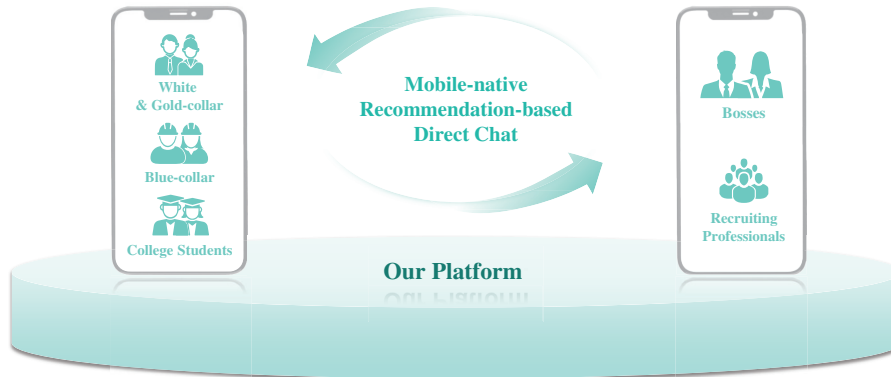
Enterprise users: We serve an extensive network of employers covering small, mid-sized and large businesses across a broad range of industries and diverse geographic areas. Enterprise users of our platform include Bosses and recruiting professionals (more than one enterprise users of the same employer could register an account with us).

Bosses: Bosses refer to executives or middle-level managers of large enterprises and SMEs and micro business owners, who are the key decision makers that can better assess candidates' capabilities, including their soft skills and cultural fit, and more efficiently identify the best people for their businesses. We get the Bosses involved on our platform since our inception. Our innovative model facilitates direct interaction between job

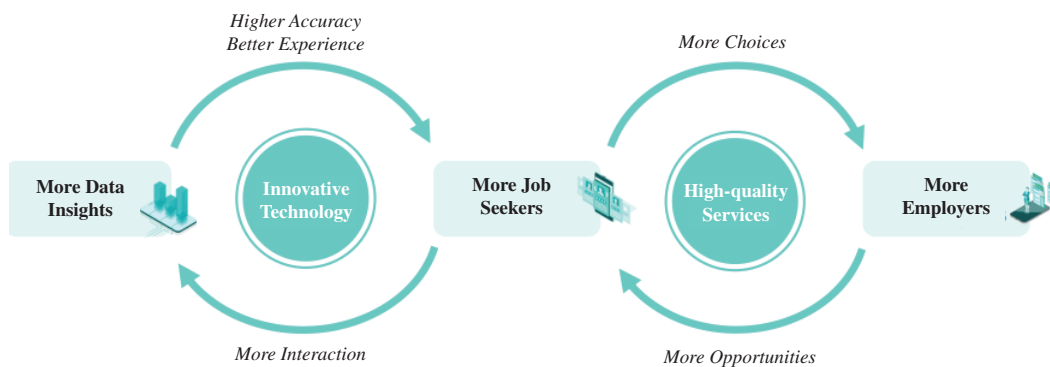
SUMMARY

seekers and Bosses, fulfils the undiscovered demands of hiring decision makers to directly participate in the recruiting process at an early stage, and allows us to amass a large number of Bosses. As of June 30, 2022, 65.7% of our verified enterprise users were Bosses.

Recruiting professionals: We also serve recruiting professionals, including human resource officers and specialized hiring function employees of an employer, headhunters and hiring staff from human resource agencies.



Our innovative business models and robust technology generate significant network effects. As we bring more job seekers to our platform, we gather more meaningful user data from extensive user interaction facilitated by our direct recruitment model. Underpinned by our robust recommendation system, our data insights on jobs and user preferences translate to more accurate job and candidate matching results and better user experience, thereby attracting more job seekers. More employers also join our platform to access our large and diverse job seeker base, bringing more job opportunities for our job seekers. These together build a double-sided network that continue to fuel our growth and success.



Our Services

Our services are purposely 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 resume upon mutual consent. We also offer an expanding range of value-added tools to further enhance recruitment efficiency.

SUMMARY

- ***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 Operation and Financial Overview

We provide services for improving recruitment and job hunting efficiency to both enterprise users and job seekers, generating 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, supplemented by paid value-added tools to further enhance their recruitment efficiency. For job seekers, we offer job seeking services for them 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. See “Business—Our Monetization Model” for more details on our platform’s monetization. See “Business—Our Operation and Financial Overview” for a summary of our key operation and financial results.

STRENGTHS

We believe the following strengths have contributed to our success.

- Largest online recruitment platform in China with full user coverage and strong network effects
- Innovative business model delivering higher recruitment efficiency and driving rapid expansion
- High-quality user experience bringing about user loyalty and brand recognition
- Industry-leading technology fueling accurate recommendations
- Multipronged go-to-market strategy that best serves diverse user demands
- Visionary management team with deep industry expertise

STRATEGIES

We seek to connect and empower job seekers and enterprise users through technology and innovation. We plan to attract more users, including both job seekers and enterprise users to our platform, further enhance our user experience, and improve our brand equity by focusing on the following key growth strategies.

- Further increase our presence in different user groups, industries and regions
- Increase the coverage of our services to provide more service offerings
- Build a human resources service ecosystem to serve individual and enterprise users’ diverse needs
- Continue to invest in technological innovations and deepen our data insights
- Further enhance our data and infrastructure security

SUMMARY

COMPETITIVE LANDSCAPE

China's recruitment and online recruitment markets remain fragmented. Market participants in China's recruitment market primarily include online recruitment platforms, online classifieds, and recruiting agencies. The top five companies accounted for an aggregate market share of approximately 8.6% and 9.0% in China's recruitment market in 2021 and the six months ended June 30, 2022, respectively. We are the second largest market participant in China's recruitment market in terms of recruitment revenue in 2021 and the six months ended June 30, 2022, with a market share of 2.1% and 2.3%, respectively. Market participants in China's online recruitment market primarily include online recruitment platforms, online classifieds, and online portals offered by recruiting agencies. The top four online recruitment platforms accounted for an aggregate market share of approximately 15.9% and 15.7% in China's online recruitment market in 2021 and the six months ended June 30, 2022, respectively. We are the largest online recruitment platform in China in terms of average MAU and online recruitment revenue in 2021 and the six months ended June 30, 2022, with a market share of 5.9% and 6.1% in terms of online recruitment revenue, respectively. For further details, please see "Industry Overview—Competitive Landscape of Online Recruitment Market" and "Industry Overview—Competitive Landscape of the Recruitment Market."

OUR CUSTOMERS AND SUPPLIERS

Our customers are predominantly enterprise users, from whom we derive most of our revenues by providing online recruitment services, primarily in the forms of customized subscription packages, and online recruitment tools that can be purchased on demand. Our largest customer in each year/period during the Track Record Period accounted for approximately 0.4%, 0.4%, 0.3% and 0.3% of our total revenues for each of the years/period ended December 31, 2019, 2020, 2021 and the six months ended June 30, 2022, respectively. Our top five customers in aggregate accounted for approximately 1.5%, 1.3%, 1.2% and 0.9% of our total revenues for each of the years/period ended December 31, 2019, 2020, 2021 and the six months ended June 30, 2022, respectively.

Our suppliers primarily include technology companies that provide hardware products or software services and advertising and marketing service providers. We recorded total purchase of RMB812.2 million, RMB1.3 billion, RMB1.8 billion, and RMB911.3 million for each of the years/period ended December 31, 2019, 2020, 2021 and the six months ended June 30, 2022, respectively. Our largest supplier in each year/period during the Track Record Period accounted for approximately 12.8%, 8.4%, 10.9% and 10.1% of our total purchase amount from suppliers for each of the years/period ended December 31, 2019, 2020, 2021 and the six months ended June 30, 2022, respectively. Our top five suppliers in aggregate accounted for approximately 38.0%, 37.6%, 37.0% and 40.1% of our total purchase amount from suppliers for each of the years/period ended December 31, 2019, 2020, 2021 and the six months ended June 30, 2022, respectively.

SUMMARY

CERTAIN OPERATING AND FINANCIAL DATA

	For the Three Months Ended														
	Mar 31, 2019	June 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	June 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sep 30, 2022
Average MAU (in millions) ⁽¹⁾	8.1	11.0	13.2	13.5	14.5	21.0	22.4	21.4	24.9	30.4	28.8	24.4	25.2	26.5	32.4
Average DAU/ Average MAU	26.7%	27.8%	26.4%	24.8%	23.1%	27.4%	27.6%	26.3%	25.5%	26.9%	27.5%	26.5%	27.2%	28.7%	27.6%
Average monthly revenue per average MAU (in RMB)	6.8	7.3	7.3	7.5	6.5	6.8	8.8	10.0	10.6	12.8	14.0	14.9	15.1	14.0	12.1

	For the Trailing 12-month Period Ended												
	Dec 31, 2019	Mar 31, 2020	June 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	June 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sep 30, 2022	
Number of paid enterprise customers (in millions) ⁽²⁾		1.2	1.3	1.5	1.9	2.2	2.9	3.6	4.0	4.0	4.1	3.8	3.7
ARPU ⁽³⁾ for paid enterprise customers (in RMB thousands)		0.8	0.8	0.9	0.8	0.9	0.8	0.9	0.9	1.1	1.1	1.2	1.2
Number of key accounts	970	1,123	1,272	1,518	1,871	2,332	3,173	3,995	4,778	5,498	5,805	5,947	
ARPU for key accounts (in RMB thousands) ⁽²⁾	161	164	169	172	177	184	187	193	194	191	184	176	

	As of December 31,			As of June 30,		As of September 30,	
	2019	2020	2021	2021	2022	2021	2022
<i>(in millions, except for percentages)</i>							
Number of verified job seekers		44.8	76.7	97.9	95.8	100.8	113.2
Number of white and gold collar		30.7	43.4	52.8	51.0	54.9	60.3
% of white and gold collar		68.6%	56.6%	53.9%	53.2%	54.5%	53.3%
Number of blue collar		10.7	21.3	28.5	27.7	29.5	33.4
% of blue collar		23.9%	27.8%	29.1%	28.9%	29.3%	29.5%
Number of college students		3.4	12.0	16.7	17.1	16.3	19.5
% of college students		7.5%	15.6%	17.1%	17.8%	16.2%	17.2%

SUMMARY

	As of December 31,			As of June 30,		As of September 30,	
	2019	2020	2021	2021	2022	2021	2022
	<i>(in millions, except for percentages)</i>						
Number of verified enterprise users	6.5	11.4	16.2	14.9	17.2	15.7	18.4
Number of Bosses	4.4	7.4	10.7	9.8	11.3	10.4	12.1
% of Bosses	67.7%	65.2%	66.0%	65.8%	65.7%	66.1%	65.9%
Number of recruiting professionals	2.1	4.0	5.5	5.1	5.9	5.3	6.3
% of recruiting professionals	32.3%	34.8%	34.0%	34.2%	34.3%	33.9%	34.1%
Number of verified enterprises	3.2	5.5	8.1	7.2	8.9	7.7	9.6
Number of SMEs (<100 people)	2.5	4.5	6.8	6.0	7.5	6.5	8.2
% of SMEs (<100 employees)	78.2%	81.7%	84.1%	83.6%	84.6%	83.9%	85.2%
				For the Six Months Ended June 30,		For the Nine Months Ended September 30,	
				December 31,		June 30,	September 30,
	2019	2020	2021	2021	2022	2021	2022
	<i>(in millions, except for percentages)</i>						
Newly verified job seekers	24.3	32.0	22.5	19.1	2.9	21.3	15.8
Newly verified enterprise users	3.1	5.0	4.8	3.4	1.0	4.3	2.2
Newly verified enterprises	1.5	2.3	2.6	1.7	0.8	2.1	1.5
Average monthly active job seekers ⁽⁴⁾	10.1	17.6	23.7	24.1	23.1	24.5	25.2
Average monthly active enterprise users ⁽⁵⁾	1.6	2.8	4.3	4.4	3.7	4.5	3.8
Average monthly active enterprises ⁽⁶⁾	1.0	1.8	2.8	2.8	2.5	2.9	2.6
360-Day average active user retention rate ⁽⁷⁾	19%	20%	20%	20%	22%	20%	22%
Effective conversion rate ⁽⁸⁾	43%	43%	43%	42%	40%	42%	39%
Average non-cognizant conversion rate ⁽⁹⁾	57%	67%	68%	67%	69%	67%	70%

SUMMARY

	For the Year Ended December 31,			For the Twelve Months Ended June 30,		For the Twelve Months Ended September 30,	
	2019	2020	2021	2021	2022	2021	2022
Renewal Rate⁽¹⁰⁾							
– Key accounts	95%	92%	94%	92%	96%	93%	96%
– Mid-sized accounts	75%	77%	77%	76%	82%	76%	81%
– Small-sized accounts	44%	44%	51%	52%	50%	54%	45%
All accounts	45%	45%	52%	52%	51%	54%	46%
Churn Rate⁽¹¹⁾							
– Key accounts	5%	8%	6%	8%	4%	7%	4%
– Mid-sized accounts	25%	23%	23%	24%	18%	24%	19%
– Small-sized accounts	56%	56%	49%	48%	50%	46%	55%
All accounts	55%	55%	48%	48%	49%	46%	54%

Notes:

- (1) The number of our average MAU decreased since the second quarter of 2021 due to the suspension of new user registration.
- (2) The number of our paid enterprise customers and ARPU for key accounts decreased in the twelve months ended June 30, 2022 due to (i) the suspension of new user registration and (ii) COVID-19's impact on our enterprise customers' recruitment demand and their recruitment related budgets.
- (3) Average revenue per paying user.
- (4) The sum of monthly active job seekers for each month during the given period divided by the number of months in the given period.
- (5) The sum of monthly active enterprise users for each month during the given period divided by the number of month in the given period.
- (6) The sum of monthly active enterprises for each month during the given period divided by the number of month in the given period.
- (7) The percentage of users that logged on to the BOSS Zhipin platform (mobile app, PC or mini-program) at a given day that also logged on to the BOSS Zhipin platform on the 360th day from the given date.
- (8) The percentage of candidates in the enterprise users' recommendation list that the enterprise users choose to engage in direct chat, after browsing the job seekers' mini resume. The slight decrease in effective conversion rate in the six months ended June 30, 2022 was primarily due to the suspension of new user registration as new enterprise users generally have higher recruitment demands and are more likely to choose to interact with job seekers after browsing their mini resume.
- (9) The percentage of users that completed resume delivery or exchanged contact information based on job recommendation that is different from the users' self identified job expectation. This metric demonstrates our ability to discern latent user preference or need, thereby improving their overall job hunting and recruitment efficiency. For example, a job seeker that put down "data engineer" as his/her expected job position may receive recommendation of "data mining" positions if the system discerns a good fit based on latent preferences recognized through the job seeker's behavior traits.
- (10) Renewal rate refers to the percentage of the enterprise customers during the previous twelve-month period of the given twelve-month period who contributed revenues to the Company during the given twelve-month period.
- (11) Churn rate refers to the percentage of the enterprise customers during the previous twelve-month period of the given twelve-month period who did not contribute revenue to the Company during the given twelve-month period.

SUMMARY

The table below sets forth the breakdown of our revenue from enterprise customers by types of customer accounts.

	For the Year Ended December 31,						For the Six Months Ended June 30,				For the Nine Months Ended September 30,			
	2019		2020		2021		2021		2022		2021		2022	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)										(unaudited)			
	(in thousands, except for percentages)													
Online recruitment services to enterprise customers														
- Key accounts	155,819	15.8	330,795	17.2	928,360	22.0	362,763	18.7	517,925	23.3	643,114	20.5	775,037	22.9
- Mid-sized accounts	363,282	36.8	696,325	36.1	1,513,506	35.9	633,685	32.7	910,848	40.9	1,080,514	34.4	1,375,551	40.6
- Small-sized accounts	467,758	47.4	900,058	46.7	1,777,160	42.1	943,471	48.6	798,411	35.8	1,413,426	45.1	1,241,060	36.5
Total	986,859	100.0	1,927,178	100.0	4,219,026	100.0	1,939,919	100.0	2,227,184	100.0	3,137,054	100.0	3,391,648	100.0

The table below sets forth the breakdown of our revenue from enterprise customers by types of services.

	For the Year Ended December 31,						For the Six Months Ended June 30,				For the Nine Months Ended September 30,			
	2019		2020		2021		2021		2022		2021		2022	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)										(unaudited)			
	(in thousands, except for percentages)													
Online recruitment services to enterprise customers														
- Paid job postings	626,837	63.5	1,283,317	66.6	2,995,806	71.0	1,320,085	68.0	1,630,674	73.2	2,172,590	69.3	2,481,781	73.2
- Value-added tools	360,022	36.5	643,861	33.4	1,223,220	29.0	619,834	32.0	596,510	26.8	964,464	30.7	909,867	26.8
Total	986,859	100.0	1,927,178	100.0	4,219,026	100.0	1,939,919	100.0	2,227,184	100.0	3,137,054	100.0	3,391,648	100.0

The table below sets forth the breakdown of our revenue by purchase methods.

	For the Year Ended December 31,						For the Six Months Ended June 30,				For the Nine Months Ended September 30,			
	2019		2020		2021		2021		2022		2021		2022	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)										(unaudited)			
	(in thousands, except for percentages)													
Online recruitment services to enterprise customers														
- Subscription packages	627,404	62.8	1,256,532	64.6	2,772,587	65.1	1,210,551	61.9	1,626,991	72.3	1,995,076	63.0	2,444,729	71.3
- Standalone purchases	359,455	36.0	670,646	34.5	1,446,439	34.0	729,368	37.2	600,193	26.7	1,141,978	36.0	946,919	27.6
Subtotal	986,859	98.8	1,927,178	99.1	4,219,026	99.1	1,939,919	99.1	2,227,184	99.0	3,137,054	99.0	3,391,648	98.9
Others														
- Subscription packages	5,084	0.5	10,015	0.5	22,738	0.5	10,263	0.5	16,473	0.7	16,867	0.5	26,667	0.8
- Standalone purchases	6,777	0.7	7,166	0.4	17,364	0.4	6,535	0.4	6,567	0.3	14,557	0.5	10,472	0.3
Subtotal	11,861	1.2	17,181	0.9	40,102	0.9	16,798	0.9	23,040	1.0	31,424	1.0	37,139	1.1
Total revenues	998,720	100.0	1,944,359	100.0	4,259,128	100.0	1,956,717	100.0	2,250,224	100.0	3,168,478	100.0	3,428,787	100.0

SUMMARY

WVR STRUCTURE AND OUR CONTROLLING SHAREHOLDERS

We have adopted an innovative direct recruitment business model that improves job hunting and employment efficiency in the online recruitment market in China. Our Company has a WVR Structure, or weighted voting rights structure. Under the current WVR structure, each Class A Ordinary Share entitles the holder thereof to exercise one vote, and each Class B Ordinary Share entitles the holder thereof to exercise fifteen votes on all matters subject to a shareholders' vote. We convened an AGM on December 14, 2022 for the purpose of approving the proposals to amend and restate our memorandum and articles of association, such that the revised articles will comply with the relevant requirements under the Listing Rules. After the aforementioned amendments, each Class B Ordinary Share shall entitle the holder thereof to exercise ten votes on all matters other than the Reserved Matters subject to a shareholders vote, effective immediately upon Listing. Immediately upon the completion of the Introduction, the WVR Beneficiary will be Mr. Peng Zhao, who will beneficially own an aggregate of 140,830,401 Class B Ordinary Shares, representing (i) approximately 66.1% of the voting rights in our Company with respect to shareholder resolutions relating to matters other than the Reserved Matters; and (ii) approximately 16.3% with respect to shareholder resolutions relating to Reserved Matters. Mr. Zhao and the holding vehicle entity through which he holds his interest in and the intermediary company through which Mr. Zhao has an interest in our Company, namely TECHWOLF LIMITED, are a group of Controlling Shareholders of our Company after the Listing. For further details, please see "Share Capital—Weighted Voting Rights Structure" and "Relationship with the Controlling Shareholders."

Mr. Zhao has been pivotal to our success and has made significant contributions to us from strategic, technological and operational perspectives. Being chiefly responsible for establishing and developing our vision, strategies and culture since our inception, Mr. Zhao has – and continues to have – a substantive presence in our day-to-day operations, guiding all aspects of our principles and development. Mr. Zhao is recognized as a leading figure in China's human resources and internet sectors with over 17 years of experience in the internet industry and over 23 years of experience in human resources services. Since day one of our development, Mr. Zhao shaped us as a technology-driven company. Along our development of technologies, Mr. Zhao makes important calls on critical decisions, provides visionary guidance on the design of important technology infrastructure, and closely participates in and supports the development of core technologies. Mr. Zhao has demonstrated his visionary insights and leadership in navigating the strategic direction. He envisioned strategies to maintain and grow our user base, promote greater engagement among platform participants, invest in technology and data capabilities, increase its brand value and enhance its monetization capabilities, while also being deeply involved in our day-to-day operations. All core business lines report to him directly. He has led us to grow organically from a start-up to become the leading player in the industry. Through his insight and vision, Mr. Zhao has the charisma to attract talents to join, and formed a visionary management team with solid technology background.

Prospective investors are advised to be aware of the potential risks of investing in companies with a WVR Structure, in particular that the interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions. As we are seeking a dual primary listing as an issuer with a WVR structure, we are subject to certain shareholder protection measures and governance safeguards under the Listing Rules. Upon Listing, our amended Articles which complies with these requirements will take effect.

SUMMARY

RISK FACTORS

Our operations and the Listing involve certain risks and uncertainties, which are set out in the section headed “Risk Factors”. You should read that section in its entirety carefully before you decide to invest in our Class A Shares. Some of the major risks we face include:

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;
- 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;
- We have a limited operating history and generated net losses in 2019, 2020 and 2021, and we may not be able to sustain and manage our growth, control our costs and expenses, implement our business strategies or achieve profitability in the future. Any new product or service we may launch and any new market sectors we may enter will come with additional risks;
- 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;
- 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.

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; and
- Our ADSs may be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, if the PCAOB is unable to inspect or investigate completely auditors located in China. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Please see “Risk Factors” in this document for further details.

SUMMARY

THE HFCAA

On May 26, 2022, the SEC conclusively listed KANZHUN LIMITED 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. In accordance with the HFCAA, our securities will be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if the PCAOB is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in China for three consecutive years, or for two consecutive years if proposed changes to the law are enacted. As a result, the Nasdaq may decide to delist our securities. On August 26, 2022, the PCAOB signed a Statement of Protocol with the China Securities Regulatory Commission and the Ministry of Finance of China, the Chinese authorities governing inspections and investigations of audit firms based in China, which marks taking the first step toward providing opening access for the PCAOB to inspect and investigate registered public accounting firms headquartered in China mainland and Hong Kong. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong in 2022. The PCAOB Board vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong. For this reason, we do not expect to be identified as a Commission-Identified Issuer following the filing of our annual report for the fiscal year ending December 31, 2022. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control. The PCAOB is continuing to demand complete access in China mainland and Hong Kong moving forward and is already making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has indicated that should PRC authorities obstruct or otherwise fail to facilitate the PCAOB's access—in any way and at any point in the future, the PCAOB will act immediately to consider the need to issue new determinations with the HFCAA. If our shares and ADSs are prohibited from trading in the United States in the future, such a prohibition would substantially impair the ability of our investors to sell or purchase our ADSs when they wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our Class A Ordinary Shares or ADSs. For more details, see “Risk Factors—Risks Relating 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 over our auditor has deprived our investors with the benefits of such inspections” and “Risk Factors—Risks Relating to Doing Business in China—Our ADSs may be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.” Our Directors are of the view that the HFCAA and the potential prohibition of trading in the United States do not have any material adverse impact on our business operations, financial performance, or the Listing, as our securities will continue to be traded on the Hong Kong Stock Exchange even if the prohibition of trading were to take place.

CONTRACTUAL ARRANGEMENTS

Our Company operates in certain industries that are subject to restrictions under current PRC laws and regulations. In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through certain Contractual Arrangements. Hence, we do not directly own any controlling equity stake in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. For further details, please see “Contractual Arrangements.” Please see also “Risk Factors—Risks Relating to Our Corporate Structure” and “Contractual Arrangements—Development in PRC Legislation on Foreign Investment” for further details.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary consolidated financial information for the Track Record Period and as of the applicable period ends, extracted from the Accountant’s Report set out in Appendix I to this document. The summary consolidated financial information set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes, as well as the section headed “Financial Information.” Our consolidated financial information was prepared in accordance with U.S. GAAP.

Summary Consolidated Results of Operations

The following table sets forth key line items of our consolidated statements of profit or loss with line items in absolute amounts and as percentages of our revenue for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,					
	2019		2020		2021		2021		2022			
	RMB	%	RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%
	(unaudited)											
	(in thousands, except for percentages)											
Revenues												
Online recruitment services to enterprise customers	986,859	98.8	1,927,178	99.1	4,219,026	629,884	99.1	1,939,919	99.1	2,227,184	332,510	99.0
Others	11,861	1.2	17,181	0.9	40,102	5,987	0.9	16,798	0.9	23,040	3,440	1.0
Total revenues	998,720	100.0	1,944,359	100.0	4,259,128	635,871	100.0	1,956,717	100.0	2,250,224	335,950	100.0
Operating cost and expenses												
Cost of revenues	(137,812)	(13.8)	(240,211)	(12.4)	(554,648)	(82,807)	(13.0)	(250,029)	(12.8)	(351,578)	(52,489)	(15.6)
Sales and marketing expenses	(916,832)	(91.8)	(1,347,532)	(69.3)	(1,942,670)	(290,033)	(45.6)	(1,152,780)	(58.9)	(921,900)	(137,636)	(41.0)
Research and development expenses	(325,569)	(32.6)	(513,362)	(26.4)	(821,984)	(122,719)	(19.3)	(413,728)	(21.1)	(598,425)	(89,343)	(26.6)
General and administrative expenses	(132,999)	(13.3)	(797,008)	(41.0)	(1,991,123)	(297,267)	(46.7)	(1,748,612)	(89.4)	(316,035)	(47,183)	(14.0)
Total operating cost and expenses	(1,513,212)	(151.5)	(2,898,113)	(149.1)	(5,310,425)	(792,826)	(124.6)	(3,565,149)	(182.2)	(2,187,938)	(326,651)	(97.2)
Net (loss)/income	(502,055)	(50.2)	(941,895)	(48.4)	(1,071,074)	(159,908)	(25.0)	(1,590,312)	(81.3)	80,321	11,991	3.6

Non-GAAP Financial Measure

In addition to net income/(loss), we also use adjusted net income/(loss) (non-GAAP financial measure), to evaluate our business. We define adjusted net income/(loss) (non-GAAP financial measure) as net income/(loss) excluding share-based compensation expenses. Share-based compensation expenses are non-cash in nature and do not result in cash outflow, and the adjustment had been made during the Track Record Period for consistency.

We have included this non-GAAP financial measure in this document because it is a key measure used by our management to evaluate our operating performance, as it facilitates comparisons of operating performance from period to period. Accordingly, we believe that it provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors do. Our calculation of the non-GAAP financial measure may differ from similarly-titled non-GAAP measures, if any, reported by our peer companies. It should not be considered in isolation from, or as a substitute for, our financial information prepared in accordance with U.S. GAAP.

SUMMARY

The table below sets forth a reconciliation of our net income/(loss) to adjusted net income/(loss) (non-GAAP financial measure) for the periods indicated:

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2019	2020	2021		2021	2022	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(unaudited)						
	(in thousands)						
Net (loss)/income	(502,055)	(941,895)	(1,071,074)	(159,908)	(1,590,312)	80,321	11,991
Minus:							
Share-based compensation expenses	(34,250)	(657,236)	(1,923,646)	(287,193)	(1,709,251)	(283,046)	(42,259)
Adjusted net (loss)/income (non-GAAP financial measure)	(467,805)	(284,659)	852,572	127,285	118,939	363,367	54,250

Our revenue experienced significant growth during the Track Record Period. We derive most of our revenues from paid enterprise customers on our online recruitment platform. We provide online recruitment services to enterprise users 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 holistic recruitment services to the enterprise users.

We incurred net loss in 2019, 2020 and 2021, primarily resulted from the increases in our total operating cost and expenses from RMB1.5 billion in 2019 to RMB2.9 billion in 2020 and further to RMB5.3 billion (US\$792.8 million) in 2021, primarily due to the increase in sales and marketing expenses and general and administrative expenses. The increase in sales and marketing expenses from 2019 to 2021 was primarily due to increased payroll and other employee-related expenses with increased headcount and increased advertising expenses due to enhanced brand advertising activities. In connection with the suspension of new user registration, we strategically incurred less advertising expenses to improve marketing efficiency in the second half of 2021. Our sales and marketing expenses accounted for approximately 91.8%, 69.3% and 45.6% of total revenues in 2019, 2020 and 2021, respectively, and such decrease as a percentage of total revenues resulted from improved marketing efficiency as well as the decreased marketing activities in the second half of 2021 due to the suspension of new user registration. The increase in general and administrative expenses from 2019 to 2021 was primarily due to the one-off share-based compensation expenses of RMB533.1 million and RMB1.5 billion recognized in 2020 and in the second quarter of 2021, respectively, as well as increased headcount. Due to our significant investments in brand advertising activities and talents with our long term strategies, we recorded adjusted net loss (non-GAAP financial measure) of RMB467.8 million in 2019 and narrowed it down to RMB284.7 million in 2020. We recorded positive adjusted net income (non-GAAP financial measure) of RMB118.9 million for the first half of 2021, mainly benefiting from our improved operating leverage and the economy of scale. We recorded adjusted net income (non-GAAP financial measure) of RMB852.6 million (US\$127.3 million) in 2021, primarily due to our increased operating leverage, as well as the decreased sales and marketing expenses as a percentage of total revenues resulting from improved marketing efficiency in the first half of 2021 and decreased marketing activities in the second half of 2021 due to the suspension of new user registration.

SUMMARY

We recorded net income of RMB80.3 million (US\$12.0 million) in the six months ended June 30, 2022, compared to net loss of RMB1.6 billion in the six months ended June 30, 2021. Our total operating cost and expenses decreased from RMB3.6 billion in the six months ended June 30, 2021 to RMB2.2 billion (US\$326.7 million) in the six months ended June 30, 2022, primarily attributable to the decrease in sales and marketing expenses and general and administrative expenses. The decrease in sales and marketing expenses in the six months ended June 30, 2022 was primarily attributable to decreased advertising expenses resulting from the marketing strategy to improve marketing efficiency taking into consideration of the suspension of new user registration, partially offset by an increase in payroll and other employee-related expenses for our sales and marketing staff. The decrease in general and administrative expenses in the six months ended June 30, 2022 was primarily due to one-off share-based compensation expenses of RMB1.5 billion in the second quarter of 2021, partially offset by the increased payroll and other employee-related expenses with increased headcount. We expected increased sales and marketing expenses in the second half of 2022 as we plan to continue to invest in advertising activities, including the sponsorship of major events, and online traffic acquisition to further enhance our brand awareness and facilitate our user growth in the long-term. However, we believe the increase in sales and advertising spending will not threaten our ability to record adjusted net income (non-GAAP financial measure) in 2022 and 2023.

Summary Consolidated Balance Sheets

	As of December 31,				As of June 30,	
	2019	2020	2021		2022	
	RMB	RMB	RMB	US\$	RMB	US\$
	(in thousands)					
Total current assets	1,707,793	4,747,312	12,958,954	1,934,721	13,518,507	2,018,261
Total non-current assets	171,206	335,967	682,669	101,920	854,128	127,518
Total assets	1,878,999	5,083,279	13,641,623	2,036,641	14,372,635	2,145,779
Total current liabilities	1,007,855	1,720,023	2,784,202	415,671	2,839,444	423,918
Total non-current liabilities	37,659	76,373	183,365	27,376	166,309	24,829
Total liabilities	1,045,514	1,796,396	2,967,567	443,047	3,005,753	448,747
Total mezzanine equity	2,494,421	5,587,000	–	–	–	–
Total shareholders' (deficit)/equity	(1,660,936)	(2,300,117)	10,674,056	1,593,594	11,366,882	1,697,032
Total liabilities, mezzanine equity and shareholders' (deficit)/equity	1,878,999	5,083,279	13,641,623	2,036,641	14,372,635	2,145,779
Net current assets	699,938	3,027,289	10,174,752	1,519,050	10,679,063	1,594,343
Net assets	833,485	3,286,883	10,674,056	1,593,594	11,366,882	1,697,032

Our net assets increased from RMB833.5 million as of December 31, 2019 to RMB3.3 billion as of December 31, 2020, primarily attributable to (i) the issuance of Series F convertible redeemable preferred shares of RMB2.8 billion and (ii) share-based compensation reserves of RMB657.2 million recognized in 2020, including the issuance of Class B ordinary shares to TECHWOLF LIMITED, partially offset by net loss of RMB941.9 million and other comprehensive loss from foreign currency translation adjustments of RMB149.5 million recognized in 2020. Our net assets increased to RMB10.7 billion as of December 31, 2021, primarily attributable to (i) the issuance of Class A ordinary Shares of RMB6.4 billion upon our initial public offering in the United States, and (ii) share-based compensation reserves of RMB1.9 billion recognized in 2021, including the issuance of Class B ordinary shares to TECHWOLF LIMITED, partially offset by net loss of RMB1.07 billion recognized in 2021. Our net assets further increased to RMB11.4 billion as of June 30, 2022, primarily attributable to (i) net income of RMB80.3 million, (ii) share-based compensation reserves of RMB283.0 million, and (iii) other comprehensive income from foreign currency translation adjustments of RMB539.0 million recognized during the period, partially offset by the repurchase of Class A ordinary Shares of RMB268.0 million during the period. Please see also the Consolidated Statements of Changes in Shareholders' (Deficit)/Equity on pages I-9 to I-13 of the Accountant's Report in Appendix I.

SUMMARY

Our net current assets increased from RMB10.2 billion (US\$1.5 billion) as of December 31, 2021 to RMB10.7 billion (US\$1.6 billion) as of June 30, 2022, primarily due to (i) an increase of RMB832.3 million in cash and cash equivalents and (ii) a decrease of RMB66.2 million in other payables and accrued liabilities, partially offset by (i) a decrease of RMB204.0 million in prepayments and other current assets, (ii) a decrease of RMB72.8 million in short-term investments, and (iii) an increase of RMB82.3 million in accounts payable.

Our net current assets increased from RMB3.0 billion as of December 31, 2020 to RMB10.2 billion (US\$1.5 billion) as of December 31, 2021, primarily due to (i) an increase of RMB7.3 billion in cash and cash equivalents, (ii) an increase of RMB559.7 million in prepayments and other current assets, and (iii) an increase of RMB348.6 million in short-term investments, partially offset by an increase of RMB758.2 million and RMB226.9 million in deferred revenue and other payables and accrued liabilities, respectively.

Our net current assets increased from RMB699.9 million as of December 31, 2019 to RMB3.0 billion as of December 31, 2020, primarily due to an increase of RMB3.6 billion in cash and cash equivalents, partially offset by (i) a decrease of RMB605.6 million in short-term investments, (ii) an increase of RMB585.5 million in deferred revenue, and (iii) an increase of RMB125.1 million in other payables and accrued liabilities.

For a detailed discussion on our key balance sheet items and material changes in the various working capital items, see “Financial Information—Discussion of Key Balance Sheet Items” and “—Liquidity and Capital Resources.”

Summary Consolidated Statements of Cash Flows

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2019	2020	2021		2021	2022	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(unaudited)						
	(in thousands)						
Net cash (used in)/generated from operating activities	(105,663)	395,911	1,641,381	245,052	836,543	480,948	71,804
Net cash (used in)/generated from investing activities	(1,223,803)	467,305	(601,862)	(89,856)	(167,365)	(97,909)	(14,617)
Net cash generated from/(used in) financing activities	993,475	2,882,112	6,431,263	960,162	6,412,214	(87,816)	(13,111)
Effect of exchange rate changes on cash and cash equivalents	43,113	(154,480)	(127,227)	(18,994)	9,364	537,116	80,189
Net (decrease)/increase in cash and cash equivalents	(292,878)	3,590,848	7,343,555	1,096,364	7,090,756	832,339	124,265
Cash and cash equivalents at the beginning of the year/period	700,233	407,355	3,998,203	596,916	3,998,203	11,341,758	1,693,280
Cash and cash equivalents at the end of the year/period	407,355	3,998,203	11,341,758	1,693,280	11,088,959	12,174,097	1,817,545

SUMMARY

We had operating cash outflow of RMB105.7 million in 2019, primarily resulted from the net loss of RMB502.1 million incurred in the same year, and operating cash inflow of RMB395.9 million, RMB1.6 billion (US\$245.1 million) and RMB480.9 million (US\$71.8 million) in 2020, 2021 and the six months ended June 30, 2022, respectively. For more details, see “Financial Information—Liquidity and Capital Resources.”

Key Financial Ratios

The following table sets forth our key financial ratios for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2019	2020	2021	2021	2022
Gross margin (%) ⁽¹⁾	86.2	87.6	87.0	87.2	84.4
Net (loss)/income margin (%) ⁽²⁾	(50.2)	(48.4)	(25.0)	(81.3)	3.6
Adjusted net (loss)/income margin (non-GAAP financial measure) (%) ⁽³⁾	(46.8)	(14.6)	20.0	6.1	16.1

Notes:

- (1) Gross margin equals the gross profit, calculated as total revenues minus cost of revenues, divided by total revenues for the period.
- (2) Net (loss)/income margin equals net (loss)/income divided by total revenues for the period.
- (3) Adjusted net (loss)/income margin (non-GAAP financial measure) equals adjusted net (loss)/income (non-GAAP financial measure) divided by total revenues for the period.

RECONCILIATION BETWEEN U.S. GAAP AND IFRS

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which differs in certain respects from IFRS. Preferred shares, share-based compensation, operating leases, listing expenses and expected credit loss are the five material reconciling items. For more details, see “Financial Information—Reconciliation Between U.S. GAAP and IFRS.”

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our directors confirm that, up to the Latest Practicable Date, there has not been any material adverse change in our financial or trading position or prospects since June 30, 2022, and there is no event since June 30, 2022 which would materially affect the information shown in the Accountant’s Report in Appendix I to this document.

IMPACT OF COVID-19 ON OUR OPERATIONS

The ongoing COVID-19 pandemic has severely impacted China and the rest of the world, and has resulted in quarantines, travel restrictions, the temporary closure of offices and facilities and cancelation of public activities, among others.

Recently, there has been a recurrence of COVID-19 outbreaks in certain cities and provinces of China, including, among others, Shanghai, Beijing, Shenzhen, Chengdu and Zhengzhou due to the COVID-19 variants, which delayed the recovery of consumption and services. Although the COVID-19 pandemic accelerated the existing trend of bringing the recruitment process online and increased the market penetration of online recruitment platforms, the impact from the COVID-19 has reduced the employers’ willingness to recruit and their recruitment related budgets, and the combined effect had a negative impact on our business, especially in cities most impacted by the COVID-19 pandemic. For example, our calculated cash billings in Shanghai dropped by 52.4% in April 2022 and by 59.2% in May

SUMMARY

2022, as compared to the same periods in 2021. In October 2022, our calculated cash billings in Zhengzhou dropped by 46.8% as compared to the same period in 2021. In addition, we made adjustments to operation hours and instituted work-from-home arrangements. Our Directors are of the view that the recent resurgence of the COVID-19 had an adverse impact on our business and results of operations up to the Latest Practicable Date while such adverse impact, as a whole, had been temporary in nature and will not have a material impact on us in the long run, on the basis that (i) despite some sporadic resurgence in certain areas from time to time, the recruitment demand adversely affected by the COVID-19 recovered in a speedy manner soon after the outbreak in an area is put under control within a relatively short period of time; for instance, compared to the decreases in calculated cash billings in Shanghai in April and May 2022, the calculated cash billings in Shanghai quickly recovered after the resurgence has been effectively controlled: the calculated cash billings in August 2022 decreased by only 6% compared to the same period in 2021, basically returning to a pre-COVID level, and the calculated cash billings in September 2022 increased by 141% compared to May 2022. Similarly, our calculated cash billings in Beijing and Zhengzhou where our operations were negatively impacted quickly recovered after the impact of the outbreak was subsumed. As such, the negative impact in recruitment demand in areas affected by COVID-19 outbreaks tended and is expected to only temporarily impact our business in the relevant areas. Our total calculated cash billings in September 2022 increased by 45.5% compared to that in May 2022; (ii) our business is mainly operated online, which had been less directly impacted by the restrictive measures; and (iii) we have also adopted enhanced hygiene and precautionary measures to prevent infection and transmission of the COVID-19 within our premises and among our staff, see “Business—Impact of COVID-19 on Our Operations” for details, which have been relatively effective and ensured that the productivity of our employees were not materially impacted.

To the extent COVID-19 may continue to affect our customers’ ability to pay, customer demand for our services remain uncertain. In addition, with varying levels of temporary restrictions and other measures reinstated in different regions to contain infections, our operations in these regions may be affected when these restrictive measures are in force. As the global pandemic of COVID-19 continues to evolve, we will continue to monitor the COVID-19 situation closely. See “Risk Factors—Risks Relating to Our Business and Industry—The ongoing COVID-19 pandemic could adversely affect our business, results of operations and financial condition.”

RECENT DEVELOPMENTS

Cybersecurity Review

Pursuant to an announcement posted by the Cyberspace Administration of China, or the CAC, on July 5, 2021 relating to the cybersecurity review, our BOSS Zhipin app was required to suspend new user registration in China 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.

We recorded MAU of 32.4 million, 32.5 million and 32.1 million in July, August and September 2022, respectively, representing growth of 3.0%, 15.0% and 20.8%, as compared to the same periods in 2021, respectively. We recorded average DAU as percentage of MAU of 27.5%, 27.7% and 27.7% in July, August and September 2022, respectively, representing growth of 0.0%, 0.4% and 0.0%, as compared to the same periods in 2021, respectively. From the date we recommenced new user registration to September 30, 2022, we recorded approximately 14.0 million newly verified users.

SUMMARY

Financial Results for the Nine Months Ended September 30, 2022

The selected unaudited consolidated results of operations for the nine months ended September 30, 2021 and 2022 and the cash flow data for the nine months ended September 30, 2022 have been derived from Appendix IIB to this document.

The consolidated financial information below should be read in conjunction with, and is qualified in its entirety by reference to, our unaudited interim condensed consolidated financial information for the nine months ended September 30, 2022 and related notes included in Appendix IIB to this document. Our historical results do not necessarily indicate results expected for any future periods, and the results of operations for the nine months ended September 30, 2022 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2022. Please refer to “Financial Information,” “Risk Factors” and “Business” included elsewhere in this document for information regarding trends and other factors that may affect our results of operations.

Summary Results of Operations

The table below sets forth a summary of our consolidated results of operations for the periods indicated, both in absolute amount and as a percentage of our total revenues for the periods presented.

	For the Nine Months Ended September 30,			
	2021		2022	
	RMB	%	RMB	%
	(unaudited)			
	(in thousands, except for percentages)			
Revenues				
Online recruitment services to enterprise customers	3,137,054	99.0	3,391,648	98.9
Others	31,424	1.0	37,139	1.1
Total revenues	3,168,478	100.0	3,428,787	100.0
Operating cost and expenses				
Cost of revenues	(404,863)	(12.8)	(552,466)	(16.1)
Sales and marketing expenses	(1,569,199)	(49.5)	(1,318,843)	(38.5)
Research and development expenses	(623,051)	(19.7)	(888,655)	(25.9)
General and administrative expenses	(1,871,950)	(59.1)	(472,099)	(13.8)
Total operating cost and expenses	(4,469,063)	(141.1)	(3,232,063)	(94.3)
Other operating income, net	10,948	0.3	14,245	0.4
(Loss)/Income from operations	(1,289,637)	(40.8)	210,969	6.1
Investment income	15,791	0.5	31,112	0.9
Financial income, net	6,754	0.2	78,013	2.3
Foreign exchange (loss)/gain	(317)	(0.0)	10,136	0.3
Other (expenses)/income, net	(6,669)	(0.2)	3,682	0.1
(Loss)/Income before income tax expense	(1,274,078)	(40.3)	333,912	9.7
Income tax expense	(30,066)	(0.9)	(41,874)	(1.2)
Net (loss)/income	(1,304,144)	(41.2)	292,038	8.5

SUMMARY

Non-GAAP Financial Measure

The table below sets forth a reconciliation of our net (loss)/income to adjusted net income (non-GAAP financial measure) for the periods presented. See “Financial Information—Non-GAAP Financial Measure” for more details.

	For the Nine Months Ended September 30,	
	2021	2022
	(unaudited)	
	(RMB in thousands)	
Net (loss)/income	(1,304,144)	292,038
Minus:		
Share-based compensation expenses	(1,808,174)	(447,961)
Adjusted net income (non-GAAP financial measure)	504,030	739,999

Revenues

Our revenues increased by 8.2% from RMB3.2 billion for the nine months ended September 30, 2021 to RMB3.4 billion in the nine months ended September 30, 2022. This increase primarily resulted from our continued investment in enhancing our service capabilities. In particular, revenues from key accounts increased by 20.5% from RMB643.1 million in the nine months ended September 30, 2021 to RMB775.0 million in the nine months ended September 30, 2022, and revenues from mid-sized accounts increased by 27.3% from RMB1.1 billion in the nine months ended September 30, 2021 to RMB1.4 billion in the nine months ended September 30, 2022. The increase was partially offset by the decrease in revenues from small-sized accounts, which was historically driven by new user growth while our new user registration was suspended during most of the nine months ended September 30, 2022. Our key accounts increased by 48.9% from 3,995 in the twelve months ended September 30, 2021 to 5,947 in the twelve months ended September 30, 2022.

Cost of revenues

Our cost of revenues increased by 36.5% from RMB404.9 million for the nine months ended September 30, 2021 to RMB552.5 million in the nine months ended September 30, 2022, primarily driven by (i) an increase of RMB80.4 million in payroll and other employee-related expenses with the increased headcount, particularly in security and operation personnel, (ii) an increase of RMB37.6 million in depreciation and amortization mainly related to servers, and (iii) an increase of RMB28.8 million in server and bandwidth service cost in line with our business growth, partially offset by a decrease of RMB13.6 million in third-party payment processing cost.

Sales and marketing expenses

Our sales and marketing expenses decreased by 16.0% from RMB1.6 billion for the nine months ended September 30, 2021 to RMB1.3 billion in the nine months ended September 30, 2022, primarily attributable to a decrease of RMB463.7 million in advertising expenses resulting from the decreased marketing activities taking into consideration of the suspension of new user registration in the first half year of 2022, partially offset by an increase of RMB201.4 million in payroll and other employee-related expenses for our sales and marketing staff.

SUMMARY

Research and development expenses

Our research and development expenses increased by 42.6% from RMB623.1 million in the nine months ended September 30, 2021 to RMB888.7 million in the nine months ended September 30, 2022, which was mainly attributable to an increase of RMB251.7 million in payroll and other employee-related expenses due to increased headcount in research and development personnel and increased share-based compensation expenses.

General and administrative expenses

Our general and administrative expenses decreased by 74.8% from RMB1.9 billion in the nine months ended September 30, 2021 to RMB472.1 million in the nine months ended September 30, 2022. This decrease was mainly attributable to the one-off share-based compensation expenses of RMB1,506.4 million recognized in the second quarter of 2021, related to the issuance of Class B Ordinary Shares to TECHWOLF LIMITED, partially offset by increased payroll and other employee-related expenses with increased headcount.

(Loss)/Income from operations

As a result of the foregoing, we recorded RMB211.0 million of income from operations in the nine months ended September 30, 2022, as compared to a loss from operations of RMB1.3 billion in the nine months ended September 30, 2021.

Income tax expense

We accrued income tax expense of RMB41.9 million in the nine months ended September 30, 2022, as compared to that of RMB30.1 million in the nine months ended September 30, 2021.

Net (loss)/income

We recorded net income of RMB292.0 million in the nine months ended September 30, 2022, as compared to a net loss of RMB1.3 billion in the nine months ended September 30, 2021.

Cash flows

The following table sets forth a summary of our cash flows for the nine months ended September 30, 2022.

	For the Nine Months Ended September 30, 2022
	(unaudited)
	(RMB in thousands)
Net cash generated from operating activities	847,499
Net cash used in investing activities	(2,091,086)
Net cash used in financing activities	(41,278)
Effect of exchange rate changes on cash and cash equivalents	1,101,863
Net decrease in cash and cash equivalents	(183,002)
Cash and cash equivalents at beginning of the period	11,341,758
Cash and cash equivalents at end of the period	11,158,756

Cash position

The balance of cash and cash equivalents and short-term investment was RMB13.9 billion as of September 30, 2022.

SUMMARY

Operating activities

Net cash generated from operating activities in the nine months ended September 30, 2022 was RMB847.5 million. The difference between this net cash generated from operating activities and the net income of RMB292.0 million in the same period was due to adjustments for non-cash items that primarily include share-based compensation expenses of RMB448.0 million, amortization of right-of-use assets of RMB106.5 million and depreciation and amortization expenses of RMB98.0 million, partially offset by cash used for an increase in working capital mainly resulting from a decrease of RMB104.4 million in operating lease liabilities and a decrease of RMB71.5 million in other payables and accrued liabilities partially offset by an increase of RMB80.1 million in deferred revenue and a decrease of RMB30.8 million in prepayments and other current assets.

Investing activities

Net cash used in investing activities in the nine months ended September 30, 2022 was RMB2.1 billion, primarily due to purchase of short-term investments of RMB3.8 billion, partially offset by proceeds from maturity of short-term investments of RMB2.0 billion.

Financing activities

Net cash used in financing activities in the nine months ended September 30, 2022 was RMB41.3 million, primarily attributable to RMB279.4 million of repurchase of Class A Ordinary Shares, partially offset by proceeds of RMB238.1 million from the exercise of share options.

Outlook

We expect to record a net loss and a significant decrease in adjusted net income (non-GAAP financial measure) in 2022, primarily due to (i) slower revenue growth because of the macroeconomic uncertainties, resurgence of COVID-19 in certain areas in China, and that the revenues from the new users registered in the second half of 2022 may take some time to ramp up, (ii) higher payroll and employee-related expenses as we continue to increase headcount in our research and development team in particular to build our core capabilities and improve our services, as well as headcount in our sales and security teams, and (iii) higher sales and marketing expenses as a percentage of total revenues in 2022 as we have invested, and plan to continue to invest in advertising activities, including the sponsorship of major events, after the resumption of our new user registration to further enhance our brand awareness and facilitate our user growth in the long-term. While the expenses for such promotional advertising activities are recognized in 2022, we do view these investments on our branding as having long-term impacts on the brand equity for our users and customers.

Recent Regulatory Developments

Regulatory Developments Related to our Business Operations

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), or the Data Security Law, which took effect in September 2021. On August 20, 2021, the State Council promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), or the PIPL, effective from November 1, 2021. See "Regulations—Regulations Related to Privacy Protection."

On July 30, 2021, the PRC State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), effective on September 1, 2021, which set out the definition of critical information

SUMMARY

infrastructure. As of the date of this document, no detailed implementation rules have been issued by the relevant governmental authorities, and we have not been informed by any governmental authority that we are a critical information infrastructure operator.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other PRC governmental authorities jointly issued the revised Cybersecurity Review Measures (《網絡安全審查辦法》) which became effective on February 15, 2022, pursuant to which, among other things, a critical information infrastructure operator shall apply for cybersecurity review to the Cybersecurity Review Office of the CAC if it 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. See “Regulations—Regulations Relating to Information Security and Censorship” for details, including the initiatives we have undertaken and our PRC Legal Adviser’s view.

In addition, on November 14, 2021, the CAC published draft Regulations on the Administration of Network Data Security (solicitation for comment), or the Draft Regulations on Network Data Security (《網絡數據安全管理條例(徵求意見稿)》), for public comments, which provides that data processors conducting certain activities shall apply for cybersecurity review. See “Regulations—Regulations Relating to Information Security and Censorship” for details, including our PRC Legal Adviser and Directors’ view.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Outbound Data Transfers (《數據出境安全評估辦法》), which became effective on September 1, 2022.

Our Directors and PRC Legal Advisers are of the view that, during the Track Record Period and up to the Latest Practicable Date, based on the analysis detailed in “Regulations—Regulations Relating to Information Security and Censorship,” and “Business—Data Privacy and Security,” we had not been and were not involved in any non-compliance incident related to data privacy and security, which, individually or in the aggregate, have had or are reasonably likely to have a material and adverse, financial or operational, impact on the Group, and we are in compliance with applicable laws and regulations on cybersecurity, data security and personal data protection in all material respects in the PRC, and if the Draft Regulations on Network Data Security were implemented in the current form, our Directors and our PRC Legal Advisers do not foresee any material impediments for us to comply with the requirements under the Draft Regulations on Network Data Security in all material aspects. In addition, our Directors believe that the aforementioned laws and regulations did not and will not materially affect our Group’s operations and financial performance.

Solely based on the due diligence conducted by the Joint Sponsors (including but not limited to discussing with the PRC legal advisers of the Company and the Joint Sponsors, conducting expert due diligence with the PRC Legal Adviser and reviewing the legal opinions of the PRC Legal Adviser with assistance of the Joint Sponsors’ PRC legal advisers), nothing has come to the attention of the Joint Sponsors that would reasonably cause the Joint Sponsors to disagree with the Director’s view above in all material aspects.

See “Regulations—Regulations Relating to Information Security and Censorship” for further details, including our PRC Legal Adviser and Joint Sponsors’ view.

Regulatory Developments on Overseas Offering and Listing

Cybersecurity and Data Privacy

According to the Cybersecurity Review Measures (《網絡安全審查辦法》), online platform operators possessing personal information of more than one million users seeking to be listed on a foreign stock exchange (國外上市) must apply for a cybersecurity review. Our PRC Legal Adviser is of the view that the term of “listing on a foreign stock exchange (國外

SUMMARY

上市)” under the revised Cybersecurity Review Measures does not include “listing in Hong Kong,” and therefore we are not subject to the mandatory obligation of *ex ante* application for cybersecurity review for the Listing.

Pursuant to Article 13 of the Draft Regulations on Network Data Security (《網絡數據安全管理條例(徵求意見稿)》), data processors shall, in accordance with relevant laws and regulations, apply for cybersecurity review for their listing in certain circumstances. See “—Regulatory Developments Related to our Business Operations” for our Director, PRC Legal Adviser and Joint Sponsors’ view.

CSRC Procedures

On December 24, 2021, the CSRC issued the draft Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》), or the Draft Provisions, and the draft Administration Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》), or the Draft Administration Measures, for public comments. Pursuant to these drafts, overseas offering and/or listing by a domestic company, whether directly or indirectly, shall be filed with the CSRC within three business days after submitting its application documents by the issuer or its designated principal domestic operating entity. See “Risk Factors—Risks Related to Doing Business in China—The approval of or filing and reporting with the China Securities Regulatory Commission or other PRC government authorities may be required in connection with the Introduction under PRC law, 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 “Regulations—Regulations on Overseas Offering and Listing” for more details.

Based on the analysis detailed in “Regulations—Regulations on Overseas Offering and Listing”, if these draft regulations become effective in their current form before the Listing, our Directors and PRC Legal Adviser (i) do not foresee any material legal impediment for us to comply with these requirements or complete the filing with the CSRC in all material respects; (ii) do not foresee these regulations to have any material adverse impact on our business operations, Contractual Arrangements and the Listing; (iii) are of the view that the Contractual Arrangements are expected to remain compliant.

Solely based on the due diligence conducted by the Joint Sponsors (including but not limited to discussing with the PRC legal advisers of the Company and the Joint Sponsors, conducting expert due diligence with the PRC Legal Adviser and reviewing the legal opinion of the PRC Legal Adviser with assistance of the Joint Sponsors’ PRC legal advisers), nothing has come to the attention of the Joint Sponsors that would reasonably cause the Joint Sponsors to disagree with the Director’s view above in all material aspects. See “Regulations—Regulations on Overseas Offering and Listing” for details.

Class Action

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 September 2022, with the aid of a mediator, the parties reached a tentative agreement in principle to settle the case, which is a subsequent event after June 30, 2022. As a result of such tentative agreement in principle to settle, we recorded a contingent liability in our consolidated statements as of and for the six months ended June 30, 2022. 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 defendant are resolved and discharged and precluded from being raised again in any future action. See

SUMMARY

“Business—Legal Proceedings and Compliance” and Note 17 of the Accountant’s Report in Appendix I for details. See also “Directors and Senior Management—Directors—Legal proceedings involving certain Directors” for other class action lawsuits involved our Directors.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The ADSs of our Company, each of which represents two Shares, were listed and began trading on Nasdaq under the symbol “BZ” on June 11, 2021.

We have applied for a listing of our Class A Ordinary Shares on the Main Board by way of Introduction under Chapter 7 (Equity Securities) as well as Chapter 8A (Weighted Voting Rights).

We have applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, (i) the Class A Ordinary Shares in issue; (ii) the Class A Ordinary Shares to be issued pursuant to the Share Incentive Plans; and (iii) the Class A Ordinary Shares that are issuable upon conversion of the Class B Ordinary Shares on a one to one basis.

LISTING EXPENSES

We expect to incur listing expenses of approximately RMB66.4 million (HK\$73.8 million). These listing expenses mainly comprise professional fees paid and payable to the professional parties.

As of June 30, 2022, there were no listing expenses incurred by us in relation to the Listing. Listing expenses are recognised in our consolidated statements of comprehensive income (loss) as and when they are incurred.

Bridging Arrangements

In connection with the Listing, the Designated Dealer and the Alternate Designated Dealer have been appointed as bridging dealer and alternate bridging dealer respectively and intend to implement certain bridging arrangements during the Designated Period (being 30 calendar days from and including the Listing Date). The Designated Dealer and the Alternate Designated Dealer have been appointed for a period of 30 calendar days commencing from the Listing Date. The Designated Period will end on January 20, 2023.

In connection with the bridging arrangements, on December 15, 2022, Goldman Sachs International as borrower, entered into a stock borrowing and lending agreement (collectively, the “**Stock Borrowing Agreement**”) with Image Frame Investment (HK) Limited as lender (the “**Lender**”). Pursuant to the Stock Borrowing Agreement, the Lender will make available to the borrowers stock lending facilities of up to approximately 18,019,352 Class A Ordinary Share (the “**Borrowed Shares**”), or approximately 2.5% of the Class A Ordinary Shares in issue immediately upon Listing (assuming no additional Shares are issued under the Share Incentive Plans between the Latest Practicable Date and the Listing and excluding the Class A Ordinary Shares issued to the Depositary for bulk issuance of ADSs reserved for future issuance upon the exercise or vesting of awards granted under the Share Incentive Plans), on one or more occasions, subject to applicable Laws. The Borrowed Shares will be registered on our Hong Kong share register and admitted into CCASS prior to and upon Listing. The Borrowed Shares shall be returned to the Lender within 15 Business Days after the expiry of the Designated Period. For further details, see “Market Arrangements to Facilitate Dealings in Hong Kong—Bridging Arrangements.”

SUMMARY

Investor Education

Prior to Listing, our Company and the Joint Sponsors will cooperate to inform the investor community of general information about our Company, as well as developments and/or changes to the market arrangements disclosed in this document. After Listing, our Company and the Joint Sponsors may continue to take measures to educate the public. The measures, including but not limited to media briefings and press interviews, analyst briefings to local brokerages/research houses that cover Hong Kong-listed companies and publication of announcements containing, among other matters, information on the developments and updates of the liquidity arrangements, may be taken to enhance transparency of our Company and the bridging arrangements as appropriate. For further details, see “Market Arrangements to Facilitate Dealings in Hong Kong—Investor Education”.

DIVIDEND POLICY

We are a holding company incorporated under the laws of the Cayman Islands. 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 out of the share premium account 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. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including U.S. GAAP. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. During the Track Record Period, no dividends have been paid or declared by us.