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## BUSINESS

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### OUR VISION

Redefine every individual’s career development with technology and a passion towards delivering user satisfaction, by optimizing efficiency, equality and choice.

### 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, according to the CIC Report. 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. According to CIC, 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

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.

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- **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 tremendous 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.

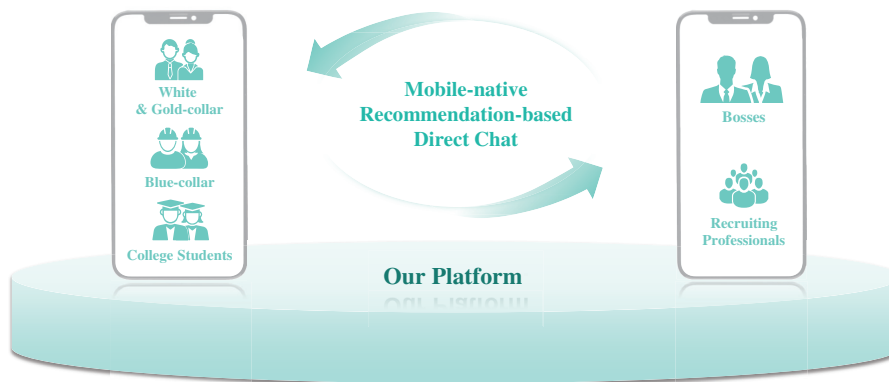
***Enterprise users:*** We serve an extensive network of employers covering small, mid-sized and large businesses across a broad range of industries and diverse geographic areas. Enterprise users of our platform include Bosses and recruiting professionals.

***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 from day one of our operation. Our innovative model facilitates direct interaction between

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job 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 Pioneering Features and Value Propositions

- **Mobile-native.** We started as a mobile app, and we were built for the era of mobile internet, whereas other recruitment platforms were mainly born in the PC age and later piecemeal adapted a mobile interface. According to CIC, we were among the first to launch an online recruitment platform that is entirely based on 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. Our user interface and service design are centered around our mobile offerings, providing social-media-app type of enjoyable and intuitive user experience while enabling job seekers and enterprise users to engage in meaningful communication anytime, anywhere and receive quick responses.
- **Recommendation-based.** Technology is at the core of our platform. We provide targeted job and candidate matches and recommendations in the form of feed streams. Our high quality data, rapid product iteration, and proprietary technology infrastructure enable us to provide accurate and adequate recommendation and matching results. According to CIC, we were the first to adopt a two-sided feed-based recommendation system among online recruitment platforms.

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- **Direct chat.** Either job seekers or enterprise users can initiate direct chat with their counterparties on our platform throughout the recruitment process. 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. According to CIC, we were the first to adopt a business model that promotes two-way communication through direct chat and resume delivery upon consent among online recruitment platforms.

These three features are interconnected and intertwined, making it hard for others to emulate and together help us achieve the following value propositions:

- **Convenience.** The mobile interface and natural user experience incentivize users to use the app more frequently, thereby generating more interactions and meaningful user data for more tailored recommendation and higher recruitment and job hunting efficiency.
- **Highly Interactive.** We transformed how job seekers and employers, especially Bosses, interact in the online recruiting industry. Our instant messaging function make real time interactions between job seekers and enterprise users possible, significantly stimulating user enthusiasm and cultivating a more engaged and loyal user base.
- **Efficient.** Extensive user interaction generates a large amount of user behavioral data. Such behavioral insight, combined with our extensive static user profile information, form our comprehensive datasets, which are processed by our advanced analytics and self-evolving recommendation technology, to deliver curated matching results. Rapid product iteration and constant upgrading of our matching system further enable us to provide more accurate matching results.
- **Privacy.** We highly respect job seekers, and are committed to empowering them by giving them more say in the recruitment process. We do not allow enterprise users to access job seekers’ resumes unless job seekers provide express consent. Job seekers can also make their information selectively visible to different types of enterprise users. Such mechanisms provide a powerful protection of job seekers’ privacy. We are also devoted to protecting job seekers against false information and frauds.

Our innovative direct recruitment model promotes two-way interactive communication, provides feed-based recommendation, and enables full user coverage, which effectively addresses the inefficiencies arising from the traditional resume centric and search-based model.

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### **Traditional Online Recruitment Platforms: Our Platform:**

#### **Resume centric**

- Traditional models serve the limited role of a directory for job openings and candidate information, which resulted in the lack of meaningful user data.
- Users find it difficult to manage expectations due to the lack of communication between job seekers and enterprise users.

#### **Search-based**

- Users' search results are confined by their search term inputs.
- Search results unevenly drive internet traffic towards top candidates and well-known corporations.

#### **Limited user coverage**

- Less accurate recommendation and irrelevant matches made it challenging to support the co-existence of diverse user base.
- Bosses have to rely on recruiting professionals to screen resumes, significantly prolonging the recruiting process.

#### **Communication-oriented**

- Direct recruitment model propels two-way flow of information and meaningful dialogues, thereby generating more meaningful data points to power more accurate and tailored recommendation.
- Direct communication helps both job seekers and enterprise users discern the other party's interest quickly, saving time and efforts during the recruitment and job hunting process.

#### **Feed-based recommendation**

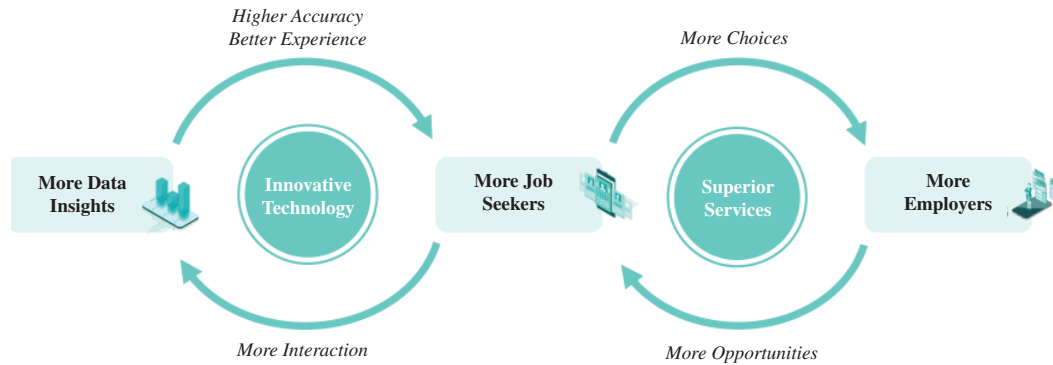
- Feed-based recommendation factors in a wide array of factors that enable accurate job and candidate matching, including the likelihood of receiving an offer and making a successful hire.
- The recommendation model is specifically designed to drive more traffic to users who are more responsive and have a higher level of interaction with other participants. This stimulates user engagement and ensures adequate exposure for more job seekers and employers with less recruitment budget.

#### **Full user coverage**

- Users are less disturbed by less relevant jobs and candidates, thus enabling full user coverage while providing tailored and focused user experience.
- Accurate recommendations reduce the burden to have HRs shortlist resumes and identify candidates. This opens up new scenarios for Bosses to conveniently participate in the hiring process early on, improving efficiency.

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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.

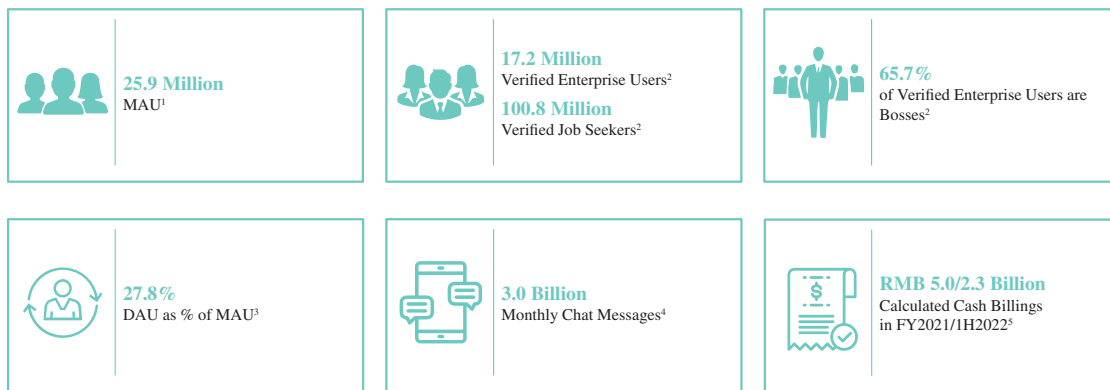
- ***For enterprise users.*** We provide direct recruitment services that allow enterprise users to post jobs, receive personalized candidate recommendations, engage in direct communication and receive resumes upon mutual consent. We also offer an expanding range of value-added tools to further enhance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

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### 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.

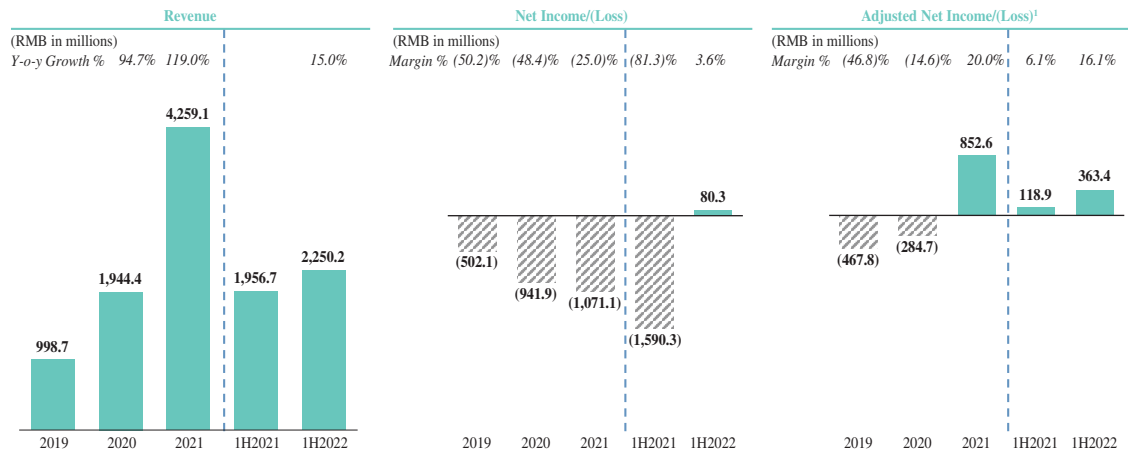
The following sets forth a summary of our key operation and financial results.



*Notes:*

- (1) Average MAU for the six months ended June 30, 2022.
- (2) As of June 30, 2022.
- (3) Average DAU and MAU for the six months ended June 30, 2022.
- (4) Average chat messages per month for the six months ended June 30, 2022.
- (5) For the year ended December 31, 2021 and the six months ended June 30, 2022, respectively.

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Note:

(1) Please refer to “Financial Information—Non-GAAP Financial Measure.”

## 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

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, according to the CIC Report. As of December 31, 2021, our verified job seekers and verified enterprise users reached 97.9 million and 16.2 million, respectively. As of June 30, 2022, our verified job seekers and verified enterprise users reached 100.8 million and 17.2 million, respectively.

Serving different groups of people at the same time is a challenge for our peers. However, we have 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, 84.6% had less than 100 employees as of June 30, 2022. Our data-driven recommendations deliver a tailored and efficient job hunting and recruitment experience for all of our users and ensure the co-existence of our diverse user base on one mobile app. Job seekers are less distracted by employers offering jobs that are unrelated to their job pursuits, and employers will receive candidate recommendations that we believe meet their requirements.



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Benefiting from our large and diverse user base and superior user experience, our platform has developed a powerful network effect. As more job seekers join our platform, more employers will come, bringing more job opportunities, which in turn attract more job seekers, forming a virtuous cycle. The extensive user coverage of our platform allows us to fulfill the cross job-function category and cross geographic recruitment needs of enterprise users, which offers them significantly more choices and increases the possibility of matching the right candidate with the right job, forming an even larger network of job seekers and employers. As of December 31, 2021, our verified job seekers and verified enterprise users experienced a year-on-year growth of 27.6% and 42.1%, respectively. As of June 30, 2022, our verified job seekers and verified enterprise users experienced a year-on-year growth of 5.2% and 15.4%, respectively.

### **Innovative business model delivering higher recruitment efficiency and driving rapid expansion**

We were the first to introduce a mobile-native, recommendation-based direct recruitment model that transformed the incumbent market practice in China’s online recruitment industry and a pioneer of direct recruitment model in the global online recruitment industry, according to CIC. Among online recruitment platforms, we were also the first to adopt a two-sided feed-based recommendation system, and the first to adopt a business model that promotes two-way communication (through direct chat and resume delivery upon consent), according to CIC.

Our recommendation-driven model provides an intuitive user experience and delivers accurate and tailored matching results. Our instant messaging function instils flexibility in the communication process, provides prompt feedback to users and enables frequent interaction. Currently, in the intelligent recommendation process, more than 90% of BOSS Zhipin’s traffic is processed by our deep learning algorithm. The convenience and efficiency brought by this model have attracted Bosses, who are not professional recruiters, to join our platform and directly communicate with job seekers, creating new scenarios that meet their underserved demands to get involved in the recruitment process early on. As the final decision-makers in the hiring process and future business supervisors, Bosses provide more accurate evaluations of candidates. Job seekers can also gain a deeper understanding of employers’ recruitment needs through directly communicating with Bosses.

Our large Boss user base, feeds-based recommendation function and the direct recruitment model address the low efficiencies in the industry. We also empower individual users (both job seekers and enterprise users) to actively participate in the recruiting process and serve the traditionally underserved talents and SMEs as online traffic is heavily tilted towards large enterprises and top job seekers on other platforms. This allows us to fulfill unmet demands and create incremental market opportunities.

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As a result of our powerful and innovative model, we have achieved rapid growth ahead of our peers. Our revenues increased by 94.7% from RMB998.7 million in 2019 to RMB1.9 billion in 2020, and further grew by 119.0% to RMB4.3 billion (US\$635.9 million) in 2021. Our revenues increased by 15.0% from RMB2.0 billion in the six months ended June 30, 2021 to RMB2.3 billion (US\$336.0 million) in the six months ended June 30, 2022.

### **Superior user experience bringing about strong user loyalty and brand recognition**

We are motivated by our relentless focus on superior user experience to better serve job seekers, Bosses, HRs and other recruiting individuals. We offer an intuitive user interface, easy-to-use service features, and flexible usage in addition to the efficient job hunting and recruitment user experience brought by our innovative model. We are committed to giving more say to job seekers by giving enterprise users access to job seekers’ contact information and full resume only upon job seekers’ express consent. This protects the privacy of job seekers and increases their trust towards our platform. The direct recruitment model also brings about superior user experience by allowing employers to enjoy high recruitment efficiency.

The exceptional user experience we provide increases the loyalty of our users and ensures an elevated user engagement. In 2021 and the six months ended June 30, 2022, our average DAU as a percentage of average MAU reached 26.7% and 27.8%, respectively, which was the highest among top four online recruitment platforms in China during these periods, according to the CIC Report. In the six months ended June 30, 2022, our platform generated an average of 3.0 billion chat messages per month.

The high loyalty brought about by our superior user experience allows us to grow with our users throughout their career lifecycle, continually fulfilling their job hunting and employment needs. Individuals who join our platform as job seekers at one time may come back at another time as enterprise users, recruiting on behalf of enterprises. In addition, loyal and active users help us build our brand awareness, which in turn delivers a viral marketing effect. Increasingly, more job seekers and enterprise users are attracted to our platform by word of mouth. Furthermore, we take a bottom-up approach to expand our presence within a business as one loyal and satisfied user will introduce us to Bosses and recruiting professionals from another team or division of the company. As more users within a company have experienced our highly efficient and quality services, we can foster larger-scale and deeper cooperation with the company.

### **Industry-leading technology fueling accurate recommendations**

We believe in the strength of technology. Our core competitive strengths derived from our data insights, powerful algorithm and big data capacity enable us to effectively process the data and continually improve our two-sided matching accuracy. Accurate matching results allow us to attract more users and accumulate more data, which in turn improves the matching efficiency and optimizes the user experience, creating a positive feedback loop.

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Our online platform generates a high level of interaction, which provides us with high quality data. We are committed to digitalizing and intellectualizing the entire recruitment process. The digitalization of each phase of the recruitment process and the high frequency and high quality interactions between our users together generate considerable behavioral data, which is being continuously fed back into our recommendation engine.

In addition to our vast data reserve and big data capabilities, our strong algorithm is also a pillar that allows us to provide more accurate job and candidate matching. We are continually improving and optimizing our proprietary algorithm and have achieved rapid iteration. Our algorithm picks up tiny changes of preference demonstrated through each user’s interaction on our platform, processes these actions instantly through our models and provides users with refined matching results within seconds. We continually improve our recommendation engine by leveraging our natural language processing capability and profound understanding of professional profiles, job descriptions and user interaction data. The use of our algorithm and data capability also helps to ensure the authenticity of information.

### **Multipronged go-to-market strategy that best serves diverse user demands**

We have adopted a three-tiered multipronged go-to-market strategy. First, we allow most enterprise users to use the basic service for free to drive user expansion, attract users to experience our services and thus increase user stickiness. Second, we offer online self-service purchases. For enterprise customers with scattered and on-demand recruitment needs, in particular, SMEs and non-professional recruiters, the opportunity to conduct small amount and short-term purchases provides them with more flexibility. Through the self-service feature, we are able to serve the large and rapidly growing enterprise user base efficiently without the need to expand our sales team proportionally. Third, our direct sales team provides high-quality pre-sale planning and after-sales services to business customers who sign annual contracts. Unlike our peers, who rely heavily on sales teams to manually identify and acquire new customers, all of our sales leads are generated by self-developed algorithm-driven CRM system, which simplifies the sales process, provides us with more intelligent insights and sales leads, and enables us to achieve higher sales efficiency. The CRM system can automatically identify potential customers with large, long-term recruitment procurement needs from existing users and convey these information as sales leads to the sales team. The sales team will then approach such users with customized packages with an aim to convert them into customers that have annual contracts with us.

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This unique sales model has resulted in high sales efficiency. The number of our paid enterprise customers increased from 1.2 million in 2019 to 2.2 million in 2020, and further to 4.0 million in 2021, and from 3.6 million in the twelve months ended June 30, 2021 to 3.8 million in the twelve months ended June 30, 2022, respectively.

### **Visionary management team with deep industry expertise**

We have a visionary, experienced and entrepreneurial management team. The majority of our management team has been with us since our inception. Our management team is strategically savvy and has successfully built a platform that is transforming the online recruitment industry in China.

Our Founder, Chairman and Chief Executive Officer Mr. Peng Zhao is recognized as a leading figure in the Chinese human resources and internet sectors with over 23 years of industry experience. Acting on industry insight, Mr. Zhao has led our company on the waves of innovations in the industry and built our recruitment platform, which has successfully transformed China’s online recruitment industry and lays a solid foundation to achieve our vision.

Over the years, we have always stayed true to our original philosophy: focus on users, value technology, appreciate simplicity, and encourage self-motivation. We believe our powerful corporate culture is indispensable from what we have achieved today.

### **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**

We plan to continue to drive the robust growth of our user base across the full user spectrum by optimizing our services and strengthening our branding and sales efficiencies. We intend to continue to strengthen our market position in the white-collar and gold-collar recruitment market. We plan to continue to expand to cover a fuller range of enterprises of diversified industries, regions as well as a wider spectrum of positions. We will also expand our platform to attract more recruitment professionals, including headhunters to help enterprise users identify, connect and secure more talents.

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For gold-collar recruitment sector, we will provide more job opportunities for gold-collar users and more personalized services, such as on the job consulting services. We also plan to expand our user coverage in more sectors, such as finance and healthcare. We view the growth of blue-collar users as an important growth driver and our business model has been proven to be effective for blue-collar recruiting. We will continue to improve our service quality and user experience to grow our blue-collar user base. In particular, we have designed onboarding procedures and rolled out functionalities that are tailored to the recruitment patterns of the blue-collar recruitment market and well suited for blue-collar job seekers’ needs. We will also ramp up our efforts to expand our presence in lower-tier cities in China, which will enable us to serve more blue-collar users.

### **Increase the breadth and depth of our services to provide more closed-loop service offerings**

We will further deploy our multipronged go-to-market strategy to serve more enterprises users, expand our presence within the same enterprises and increase the breadth and depth of our service offerings. We intend to pursue avenues to improve conversion of our enterprise user base into paid enterprise customers. For example, we believe each point of user engagement provides insight into user’ needs, which we can use to provide customized paid services that address their needs. Also through identifying users’ unmet needs, we are able to introduce new functionalities and further expand our product and service offerings through upselling and cross-selling, which also enhances our monetization capabilities and expand our wallet share.

We plan to further digitalize the recruitment processes and offer more services to users. We believe there is significant untapped monetization potential that ties each successful employee placement with the service fee an employer pays. We plan to further explore along the recruitment services value chain and expand our focus to successful employee placement and employee onboarding, by leveraging our large user base and our industry expertise. By broadening our product and service range along the recruitment service value chain, we will continue to transform our business into a comprehensive, integrated recruiting platform that provides more closed-loop recruitment service offerings.

### **Build a human resources service ecosystem to serve individual and enterprise users’ diverse needs**

The unique market position we hold and the powerful network effects of our platform make us well-positioned to enter other human resources service markets beyond online recruitment, and to further explore opportunities to provide better solutions and create value with our industry leading technology and data capabilities. These markets include human resource planning, career development, performance management, compensation and benefits management and employment relationship management, covering the full spectrum of enterprises’ needs and the entire career lifecycle of talents.

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Building on the scale of our platform, existing strong user affinity and industry knowhow that we have accumulated in the recruitment industry, we believe we are well equipped to explore business opportunities in these markets and seize significant monetization potential. We also aim to build a human resources ecosystem with more participants and service providers. As we expand our services into more human resource service markets, we will be able to grow with our users and serve the diversified needs of our individual users across their full career life cycle, and enterprise users for their diversified needs regarding talents.

### **Continue to invest in technological innovations and deepen our data insights**

We will continue to invest in technology talent and infrastructure, which is the core of our technology strength. We plan to expand our investment in technology talent by expanding our technology team and further attract talent with expertise on key technologies. Meanwhile, we will continue to strengthen investment in deep learning and recommendation algorithm, enhance career knowledge graph, and deepen our understanding of various occupations and industries to provide more accurate and professional career services.

### **Further enhance our data and infrastructure security**

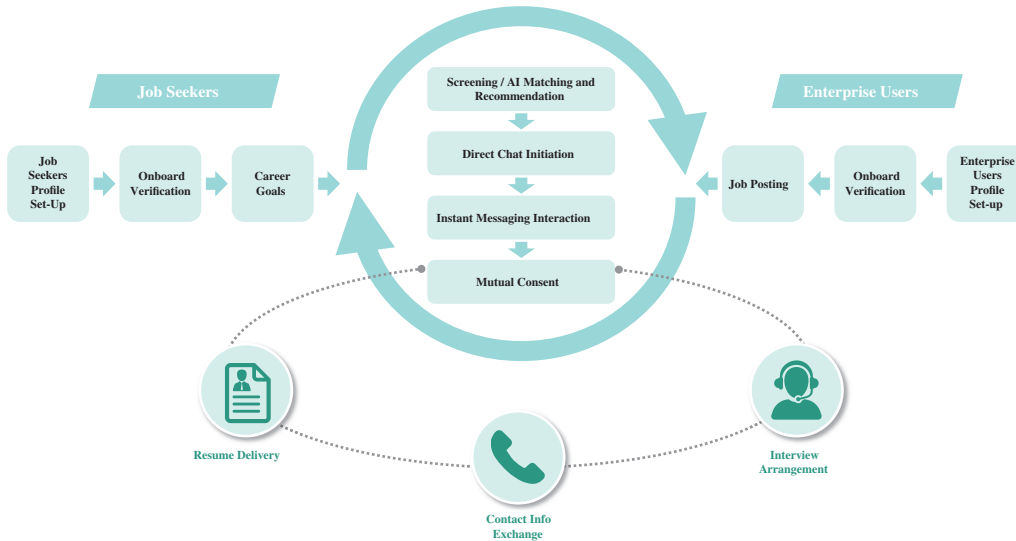
We are committed to building a safe online platform. Our systems are designed to enforce our policies, protect users’ personal information, and abide by applicable laws and regulations. We have built a multi-level system to protect our data, because it is the backbone of our business. We protect data through a combination of processing procedures and technologies and have built a dedicated data expert team to detect risks and vulnerabilities in user privacy and data security. We plan to further upgrade our data protection procedures and technologies to address data-related violations and combat potential data breach.

We have also expended significant resources to protect our server infrastructure from external hacker attempts and attacks. We have started using proprietary private cloud maintained in-house to reduce the reliance on third-party cloud infrastructure provider, which allows us to better safeguard user data and meet evolving regulatory requirements. In addition, we conduct regular tests for any internal or external unauthorized access to our systems and correct any irregularities. We will continue to invest in technology and people to ensure the safety of our IT infrastructures, including our hardware, software and data facilities. We will also continue to strengthen our operation security by implementing new procedures and expanding our workforce to validate the authenticity of job and employer information on our platform.

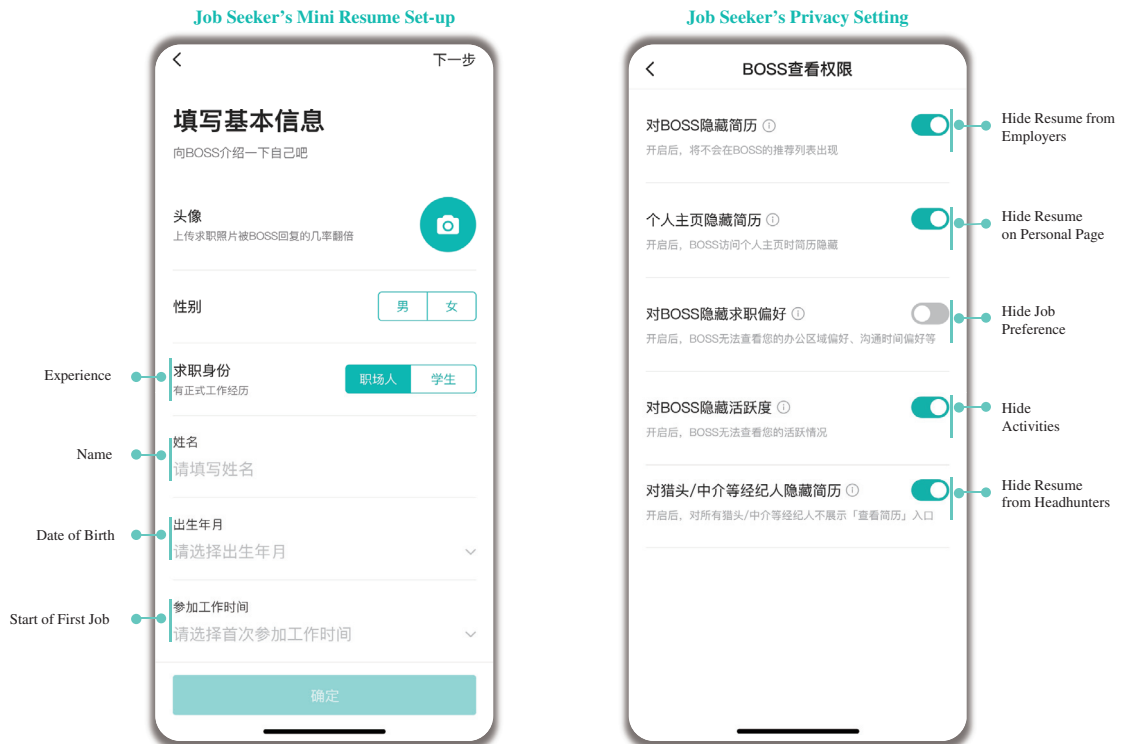
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### OUR SERVICES

We provide online recruitment and job hunting services primarily through the BOSS Zhipin app. The below flowchart illustrates the user journey we offer to our job seekers and enterprise users.



### Informative and Interactive User Page



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We have transformed the stressful process of browsing job openings and resumes to an adventure as easy and engaging as exploring social media.

Job seekers are required to provide basic personal and professional information, to create a mini resume which can be viewed by interested enterprise users. They can easily switch their privacy settings to make their mini resumes selectively visible to enterprise users. Job seekers can also choose not to receive certain job recommendations, such as jobs in a different city.

Bosses and recruiting professionals can set up their own accounts as enterprise users, post job openings and interact with job seekers. They can also provide their experiences of working at the company, tell a story about why they love the company and their jobs, and why job seekers should consider joining the company. Our unique enterprise user page gives more depth to a company's corporate image.



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### Tailored and Accurate Recommendation Serves Full-spectrum of Users



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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. 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 experience as social media apps. This goes beyond the traditional search-based model where users need to type in key words to find suitable job postings.

Our platform generates and aggregates massive unique data points, including user reviews, reach-outs, messaging, resume delivery and exchange of contact information. Informed by this rich and growing dataset, we leverage machine learning technologies to build and refine our advanced proprietary algorithms that enable customized job recommendation for our users at a massive scale. For example, each user's every action or inaction to either review or ignore a recommendation delivers a feedback to our data system. These feedbacks, conveying each individual's current likings and preferences, are instantly processed by our algorithms and immediately reflected in the new job openings or candidates recommended to the user. As more users use our job and candidate recommendation services, we are able to provide more accurate and tailored recommendations to different users leveraging this rich and growing dataset and its proprietary machine learning and deep learning technology. By optimizing our recommendation algorithm strategy and combining it with our market expertise and extensive industry knowledge, we are able to present more users with broader sets of recommendation results that are not limited to a certain industry to offer the possibilities of exploring cross-industry and cross-professional job opportunities, which further improves user satisfaction. Customized matching significantly improves the efficiency of job hunting and recruitment and enhances user experience which in turn elevate user engagement.

This tailored recommendation ensures the co-existence of our diverse user base on one mobile app. For example, white-collar users are unlikely to be seen or reached by enterprise users offering positions that predominantly require the performance of manual labor, while blue-collar users will receive recommendations of job openings that better meet their skill sets and expectations. Job seekers are thus less distracted by employers offering jobs that are unrelated to their job pursuits, and employers will receive candidate recommendations that the system believes meet their requirements. As a result, we have 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, developing a powerful network effect.

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### Direct Communication Facilitates User Engagement



We propel direct conversation between enterprise users and job seekers through our instant messaging function. Our job seeker recommendation system enables enterprise users to access our large job seeker pool to find, connect and interact with qualified job seekers. After reviewing their professional profiles, enterprise users can initiate direct conversation 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.

In a traditional online recruiting process, a job seeker's only interaction with the employers on the platform is to submit his or her resume. They would then be put through usually days of waiting before they could hear back from the employer. In addition, resumes received by the employers are often outdated with incomplete job seeker information and employers may also fail to provide timely update to their recruiting information. This dynamic makes it difficult for job seekers to manage their expectations, resulting in low engagement with the recruiting platform. Our instant messaging function, on the other hand, ensures that platform users are active with real job hunting or recruiting needs. Job seekers and enterprise users can thus better manage their job hunting or recruitment journey as they can expect to receive responses from the other side within a short time. Failure to receive any responses within a day to two incentivizes users to move on and look for other employment or recruitment opportunities. Real time interaction between job seekers and enterprise users significantly drives user enthusiasm, increases user stickiness and fosters a highly engaged user base.

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Our instant messaging function, conveniently set in mobile-native scenario, 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. Bosses are willing to attract, screen, or communicate with candidates. They have a clear understanding of desired candidate attributes, interested in taking a first crack to communicate, attract or screen candidates and are often the key decision makers in the recruiting process. The instant and close interaction created by our instant messaging feature is also particularly appealing to traditionally underserved SME employers, who are eager to attract quality candidates. As of June 30, 2022, 65.7% of our verified enterprise users are Bosses.

### Resume delivery based on mutual consent



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

We put job seekers back to the pilot seat by giving them more control in the job hunting process. Enterprise users are not allowed to access job seekers’ full resume or their contact information without job seekers’ express consents. Enterprise users are thus motivated to engage in meaningful conversations with job seekers to confirm mutual interest before inviting them to deliver resumes. For example, to attract quality job seekers and gain access to their resumes, enterprise users may need to proactively reach out to these job seekers, demonstrate benefits of the job and answer their questions. Similarly, job seekers cannot submit their resumes to an enterprise user without the enterprise user’s consent. 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 further developed a powerful network effect.

### **Value-added tools**

We also offer value-added tools to job seekers and enterprises users.

For job seekers, we offer complementary tools, such as VIP resume template, increased resume exposure to enterprise users, candidate competitive analysis and message filtering services.

For enterprise users, we offer a combination of value-added tools that improve their recruitment efficiency. For example, our bulk invite sending connects enterprise users with multiple job seekers at one go to assist the employers to accomplish their recruiting goals in a timely manner. Our advanced filter allows enterprise users to filter through the list of job seekers we recommended through our proprietary matching system.

### **OUR OTHER MOBILE APPLICATIONS**

We provide online recruitment services through our main mobile app BOSS Zhipin, where the full suite of our services is available, Dianzhang Zhipin, which provides online recruitment services with a special focus on blue-collar recruitment, and KanZhun, which provides free employer reviews and interview experience sharing services.

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### **Dianzhang Zhipin**

We created *Dianzhang Zhipin* mobile app, or Dianzhang, to further expand our user base in the blue collar recruitment market and provide better and more tailored recruitment services. Blue collar recruitment has traditionally been an undeserved market with massive opportunities. To expand our presence, we have launched Dianzhang as a pilot program that primarily focuses on the recruitment of blue collar workers and the provision of experimental features and services customized to blue collar job seekers and enterprise users. Dianzhang adopted similar user interface and the same direct chat and resume delivery function as BOSS Zhipin with additional innovative features designed to meet the needs and preferences of blue-collar job seekers and recruiters. We have achieved seamless integration between Dianzhang and BOSS Zhipin. Enterprise users on Dianzhang can directly interact with job seekers on Boss Zhipin, our main recruitment platform, and enterprise users on BOSS Zhipin can receive recommendation of job seekers registered with Dianzhang and communicate with them. We believe our continued innovative efforts bring us sustainable competitive advantages and further fuel our growth.

### **KanZhun**

We offer free services to job seekers through our standalone app *KanZhun*, which focuses on employer reviews and interview experience sharing. KanZhun provides information of businesses, including companies’ scope of operation, organizational structure and core management team to help users assess the credibility of the company. We also dedicate a section in the company’s profile to present a comprehensive overview of the company’s recruitment information available on BOSS Zhipin, including the number of job openings, salary information of the available positions and job seekers’ education background and work experience requirements. All of the information is immaculately displayed in graphs, charts or otherwise succinctly described on each company’s profile page, creating an intuitive user experience. Through our KanZhun platform, users can also access and share a vast array of career related content. Job seekers join the KanZhun community to share their experiences interviewing at a particular company and employees post reviews of their current or prior employers. Users are encouraged to score the companies from multiple aspects, including salary and benefits, working conditions, career development opportunities, work life balance and overall job satisfaction. Utilizing our KanZhun community, job seekers are better prepared and more informed about the jobs and companies they apply to and consider joining.

### **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.

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We monetize our direct recruitment services offered to employers based on an innovative connection-oriented strategy that efficiently connects job seekers and employers to strike a better balance between the supply and demand of jobs. We allow most of our enterprise users to post jobs, browse the mini resume of job seekers and chat with them, conduct audio and video interviews and send offer letters for free. When the supply of a job position exceeds the number of job seekers applying for that position to a certain degree, we rebalance the supply and demand of our ecosystem by charging the enterprise users a fee to post such jobs. This is achieved through our unique monetization mechanism, under which for a specific position in a set geographic region, we decide whether to charge the position based on a number of factors including the supply of the position and the number of job seekers applying for such position. The balance of supply and demand enables job seekers to interact more with enterprise users with strong recruiting needs and reduces the likelihood of a job seeker being bombarded with too many reach-outs from persistent recruiting professionals. Our innovative connection-oriented monetization strategy well complements our direct recruitment model and effectively incentivizes us to promote interaction and connection between enterprise users and job seekers.

### Services offered to enterprise users

We provide a wide array of services and value-added tools that allow enterprise users to post jobs, interact with job seekers more efficiently and better manage their recruitment process. All of the paid services offered to enterprise users can either be subscribed as a part of the subscription package or purchased on a standalone basis. The majority of our subscription packages in terms of revenue contribution have a term of one year, with basic services including paid job postings and value-added tools chosen by the enterprise users. We charge our subscription packages based on the services selected by enterprise users.

The table below sets forth a summary of key services we offer to enterprise users. In addition to these paid services, we also have other services aimed at optimizing recruitment efficiency.

<u>Services</u>	<u>Main features</u>
Job posting	– Our job posting function allows enterprise users to present key information of the position, including job title, responsibilities, pay, location, employer background and other pertinent information in succinct and easy-to-follow manner.
Job seeker recommendation	– We provide curated job seeker recommendation results to enterprise users.
Direct chat	– Enterprise users can initiate direct conversation with job seekers to communicate about vacancies, company culture, perks and benefits and job seekers’ interests in the position, etc.



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<u>Services</u>	<u>Main features</u>
Resume delivery	– Enterprise users can invite job seekers to deliver their resumes. To protect user privacy and give more say to job seekers, we do not allow enterprise users to access job seekers’ full resume without their express consent.
Bulk invite sending	– Bulk invite sending connects enterprise users with multiple job seekers at one go to assist the employers to accomplish their recruiting goals in a timely manner.
Conversation booster	– Conversation booster allows enterprise users to browse the mini-resume of and initiate conversation with more job seekers.
Advanced filter	– Advanced filter allows enterprise users to filter through the list of job seekers we recommend to them through our proprietary matching system, and initiate direct chat with job seekers.

### **Services offered to job seekers**

We offer paid services to job seekers, including, for example, job competitive analysis and increased exposure of job seekers’ mini resume to help them better prepare for their job hunt. Job seekers can purchase our services through subscription packages. During the Track Record Period, revenue contributed by job seekers accounted for less than 2% of our total revenue.

### **TECHNOLOGY AND INFRASTRUCTURE**

Cognizant of the barriers to providing accurate matching to our users, we are committed to continuously investing and building our technology strength to optimize two-sided job and candidate matching. Our technology advantages are demonstrated through our strong theoretical foundation, robust technology implementation and successful technological application.

#### **Strong theoretical foundation supports our continuous innovation.**

We have devoted years of efforts on the systematic research on the key characteristics of the industry, including the labor market, talent flow, individual career development and professional skill sets development. In particular, we utilize advanced data analytics to analyze the changes of the labor market and the effect of talent flow on regional economic development. We also conduct research on sociological topics through modeling and simulation, including individual career development and the impact of gender differences. Along with the comprehensive user behavioral data analysis conducted by our Career Science Lab, these research results have helped us develop a comprehensive career knowledge graph,



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which provides valuable insights to an individual’s career development goals, occupation inclination, job position preferences and the recruiting needs of enterprises which fuel our continued advancement in our technology innovations, including the iteration of our proprietary algorithm to improve recommendation accuracy.

### **Technology implementation forms strong technical strengths and competitive barriers.**

Given the difficulties of recruitment recommendation, we have made significant investment to build our core technology capabilities in areas including:

#### ***Data and data insights: massive, multidimensional data and data insights.***

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.

#### ***Platform architecture: proprietary real-time recommendation architecture and fast model iteration.***

We have deployed an innovative real-time feature collection architecture that has helped with the real-time collection, production, training and low-cost storage of featured samples, which include static and behavioral data of all kinds, including users’ education status, job expectations, browsing history, chatting and resume delivery, among others. The innovative feature engineering system lays a solid foundation for accurate job and candidate recommendations based on large volume and high velocity of static and behavioral data.

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In addition, we have built solid data infrastructure of high-availability and high-concurrency. The data infrastructure supports real-time update, reading and writing of large-scale data sets and indexes without affecting the independent and concurrent online operation of various machine learning models. This enables more stable platform performance in the case of traffic spikes and ensures real-time update of jobs and candidates recommendation feeds. In addition, the concurrent system operation capability of the infrastructure simultaneously supports more than one hundred algorithm engineers together with the operation of hundreds of AI models. This enables rapid product iteration and constant upgrade of our matching system. We completed over 10,000 model iterations in the twelve months ended June 30, 2022.

***Recommendation algorithm: machine learning/deep learning/natural language processing.***

We apply machine learning and deep learning to process, analyze and identify patterns in data and build models to make predictions 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 deep learning model to enable fast iteration and upgrade of our algorithms and model. Currently, in the intelligent recommendation process, more than 90% of BOSS Zhipin’s traffic is processed by the deep learning algorithm. 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.

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.

**Successful technological application powers advanced job and candidate recommendation.**

Successful application of our strong theoretical foundation and advanced technologies ensures 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 algorithm to the recommendation system to reflect our key strategies – (i) two-sided matching strategy: our recommendation algorithm 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

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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 research and development team**

Our technology capabilities are a unique advantage and critical to our business operations. As of June 30, 2022 we had a team of 1,399 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. Our research and development expenses amounted to RMB325.6 million, RMB513.4 million and RMB822.0 (US\$122.7 million) million in 2019, 2020 and 2021, and up from RMB413.7 million in the six months ended June 30, 2021 to RMB598.4 million (US\$89.3 million) in the six months ended June 30, 2022, respectively, representing approximately 32.6%, 26.4%, 19.3%, 21.1%, and 26.6% of our total revenues, respectively, during the same periods.

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 have made significant investments in data science, which underpins all aspects of our operations from user acquisition to sales. Our data-centric approach has helped us to attract and retain new users, improve sales of paid services to existing users, and conduct cost-efficient marketing.

#### **Sales**

We offer online self-service purchases. For enterprise customers with scattered and on-demand recruitment needs, in particular, SMEs and non-professional recruiters, the opportunity to conduct small amount and short-term purchases provides them more flexibility. The self-service feature allows us to achieve higher sales efficiency.

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We empower our sales team with our proprietary CRM system by helping the team find employers with demand and willingness to engage in bulk purchase or pay for more tailored services. Our proprietary CRM system can automatically identify potential customers with large, long-term recruitment procurement needs from existing users and convey these information as sales leads to the sales team. Our sales team will then reach out to such users with customized packages with an aim to convert them into customers that have annual contracts with us. This allows us to channel our data-driven insights into the sales process and drive conversion. All of our sales leads are generated by this CRM system, which simplifies the sales process and enables us to achieve higher sales efficiency. In addition, supported by our data analysis, our sales team can provide employers with better customized and more comprehensive service packages. We are committed to continually improving the quality of our services.

### **Marketing**

We are recognized as the most recommended online recruitment platform and the brand with the highest use frequency among China’s top four online recruitment platforms, according to CIC. We believe brand recognition is critical to our ability to continue to attract new users.

Our marketing decisions are informed by our data analytics that are optimized to maximize returns. We set and adjust our marketing strategies based on advertising efficiency predictions through indicators including differences in occupational structure, the population’s average income, and characteristics of different marketing channels. Our data analytical capabilities allow us to conduct cost-efficient marketing. We pay to acquire user traffic from 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.

To promote our brand image, we have launched various marketing initiatives and acquired users through a variety of marketing channels, including outdoor advertising, TV advertising and video advertising. We display ads at popular sites in major subway stations as well as elevators in office buildings in large cities in China, where there is massive premium traffic of working professionals with diverse background. We also launch marketing campaigns in major national and international events. For example, we were the official human resources supplier for the 2022 Beijing Winter Olympics. We also enlist celebrities as brand ambassadors to expand our audience reach by featuring them in promotional materials and through online video platforms.

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### 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 annual subscription packages, and online recruitment tools that can be purchased on demand. The largest customer 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 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.

The table below sets forth the details of our five largest suppliers during the Track Record Period:

<u>Supplier</u>	<u>Years of relationship</u>	<u>Purchase amount</u>  (in RMB thousands)	<u>% of our total purchase</u>
<i>Six months ended June 30, 2022</i>			
Supplier A <sup>(1)</sup>	Over 3 years	92,123	10.1%
Supplier B <sup>(2)</sup>	Over 3 years	91,224	10.0%
Supplier C <sup>(2)</sup>	Over 3 years	85,589	9.4%
Supplier D <sup>(2)</sup>	Less than 1 year	54,183	5.9%
Supplier E <sup>(1)</sup>	Less than 1 year	43,252	4.7%
<i>Year ended December 31, 2021</i>			
Supplier B <sup>(2)</sup>	Over 3 years	198,336	10.9%
Supplier F <sup>(1)</sup>	2-3 years	153,312	8.4%
Supplier C <sup>(2)</sup>	Over 3 years	125,457	6.9%
Supplier G <sup>(1)</sup>	2-3 years	108,709	6.0%
Supplier H <sup>(1)</sup>	Over 3 years	88,141	4.8%

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<u>Supplier</u>	<u>Years of relationship</u>	<u>Purchase amount</u>  (in RMB thousands)	<u>% of our total purchase</u>
<i>Year ended December 31, 2020</i>			
Supplier G <sup>(1)</sup>	2-3 years	108,120	8.4%
Supplier H <sup>(1)</sup>	Over 3 years	104,582	8.1%
Supplier C <sup>(2)</sup>	Over 3 years	103,177	8.0%
Supplier B <sup>(2)</sup>	Over 3 years	92,511	7.2%
Supplier A <sup>(1)</sup>	Over 3 years	76,382	5.9%
<i>Year ended December 31, 2019</i>			
Supplier I <sup>(1)</sup>	Over 3 years	103,780	12.8%
Supplier B <sup>(2)</sup>	Over 3 years	54,221	6.7%
Supplier A <sup>(1)</sup>	Over 3 years	53,579	6.6%
Supplier H <sup>(1)</sup>	Over 3 years	50,495	6.2%
Supplier J <sup>(1)</sup>	Over 3 years	46,503	5.7%

*Notes:*

- (1) A, E, F, G, H, I and J specialize in advertising, marketing, advertising design and production.  
 (2) B, C and D are technology companies that provide hardware products or software services.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned over 5% of our Company’s issued share capital) had any interest in any of our five largest customers or suppliers.

### **RIGOROUS USER VERIFICATION & ALGORITHM POWERED RISK ASSESSMENT**

We have implemented “platform user safety protection” program, which focuses on protecting 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. 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.

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### **Enterprise users’ risk assessment**

We implement a rigorous screening process to examine and verify the enterprise users’ identification information. We require enterprise users to go through a set of verification procedures during their onboarding process, including the uploading of their business licenses and certificates of employment. We customize enterprise users’ registration policy based on our risk pre-determination mechanism.

We leverage our advanced feature engineering, machine learning and decision engine to process user data and respond to threats and frauds constantly. Our risk mining algorithm processes 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. Relying on our advanced algorithms, we have built a proprietary suite of models to detect enterprise users’ misconduct and protect job seekers from potential harm.

We also take job seeker complaints into our data-driven risk assessment process. Job seekers play an important role in our comprehensive fraud-detection 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.

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 algorithm powered fraud-detecting 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 (covering 50 cities) to verify enterprise information and identify high-risk job positions and businesses, according to CIC. 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. Our streamlined authentication process and ongoing risk assessment system foster a trustworthy and credible user platform.

### **Job seekers’ risk assessment**

Job seekers are first required to complete our mobile phone verification process. Our intelligence system detects suspicious user input 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 self-description would be detected by our fraud prevention technology.



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### 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.

#### 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. We also conduct frequent reviews of our back-up systems to ensure that they function properly and are well maintained. We regularly conduct system-wide vulnerability scanning and prompt repairing to continually improve our data security measures. Our back-end 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 PRC 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 confidential 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.

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 relevant risk



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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**

We have established and implemented a series of comprehensive and stringent internal rules, policies and protocols with respect to cybersecurity and data protection. Our internal control protocols cover cybersecurity and the full lifecycle of data processing activities. All 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 fulfil 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 account. R&D personnel generally cannot apply for access to the database and, if access is required on as-need basis, access will be granted after the required data is configured in the configuration center. User personal information in the big data platform is desensitized and irreversibly encrypted. Data of the Company is accessible through virtual desktop and is not allowed to be downloaded and, if download is required on as-need basis, separate approval is needed. 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 special circumstances set forth in our strict privacy policies. 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 exercise great care and prudence in evaluating the purpose and scope of data sharing authorizations, and secure legal undertakings from authorized business partners under relevant 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 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 security agreement to specify the rights and obligations of each party.

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### **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 continually 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. Boss Zhipin, Dianzhang Zhipin and Kanzhun have MLPS Level III Certification and have completed information system security protection filings and relevant assessment in 2021. 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.

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### SEASONALITY

Our results of operations are subject to seasonal fluctuations in market conditions primarily due to enterprise users’ purchasing patterns. For example, our revenue is typically lower in the first quarters as recruitment activities generally slow down around the Chinese New Year. 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. 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 “Risk Factors—Risks Relating to Our Business and Industry—Our results of operations are subject to fluctuations due to seasonality.”

### 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 and Chengdu due to the COVID-19 variants, which delayed the recovery of consumption and services. The impact from the COVID-19 has reduced the employers’ willingness to recruit and their recruitment related budgets, which had a negative impact on our business, especially in cities most impacted by the COVID-19 pandemic.

In addition, we made adjustments to operation hours and instituted work-from-home arrangements. 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, including: (i) distributing disposable masks and sanitizing products to our employees; (ii) cleaning and disinfecting common areas within our office buildings and working premises with increased frequency; (iii) implementing flexible working arrangement for our employees on an as-needed basis; (iv) encouraging our employees to closely monitor their cohabitants’ health and well-being; (v) requiring mandatory infrared contactless body temperature measurement for our employees each time they enter the office buildings and working premises; and (vi) requiring our employees to refrain from gathering within the work place.

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. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. The extent of the impact of the COVID-19 pandemic on our operational and financial performance, including our ability to execute our business

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strategies and initiatives, will depend on future developments, including, but not limited to, the duration and spread of the pandemic, its severity, any resurgence of COVID-19, in the future, the actions to contain the disease or treat its impact, related restrictions on travel, and the duration and severity of the impact on our customers’ budget and spending, the recruitment industry and the broader Chinese economy, including any recession resulting from the pandemic, all of which are still difficult to assess or predict. 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.”

### INTELLECTUAL PROPERTY

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success. As of June 30, 2022, we owned 95 patents, 61 copyrights including 45 software programs in China relating to various aspects of our operations and maintained approximately 503 trademark registrations in China and 10 trademark registrations outside 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.

During the Track Record Period, our measures to protect our intellectual property had been effective, and we did not find any material breaches of our intellectual property rights. For risk relating to our intellectual property rights, see “Risk Factors—Risks Relating to Our Business and Industry—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.”

### 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.

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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, superior user experience, ability to enhance efficiency and user satisfaction, as well as our brand recognition. See “Industry Overview—Competitive Landscape Of Online Recruitment Market.” For a discussion of risks relating to competition, see “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 ENVIRONMENTAL, 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.

#### 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 the disadvantaged group 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:

- We launched Project Inclusive to pursue fairness of the bilateral resource allocation among job seekers and recruiters, which empower traditionally underserved job seekers and enterprise users, especially college students and micro business owners.
- We have also been exploring ways to connect people in impoverished areas to job opportunities leveraging the power of internet. We have helped people from 52 such counties to find jobs.
- We filmed a short documentary Women are Amazing (Women了不起) spotlighting the individual career journeys of women with different experiences, career paths and life stories to help drive the awareness of women’s irreplaceable roles in and significant contribution to the society.

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

- We proactively supported China’s nationwide efforts to contain the spread of COVID-19 and made donations to support the communities. We also made donations to communities affected by the Zhengzhou flooding and Sichuan earthquake.

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- We are environmentally conscious. We have made donations to the Qinghai Hoh Xil Nature Reserve ecological protection fund, which aims to protect the safety of patrol officers in fighting illegal activities such as poaching and illegal mining.

### **Green Operation**

We uphold our vision and responsibility to actively address climate change and reduce greenhouse gas emissions from our business and operations. We continue implementing a series of environmental protection measures, including energy and water conservation and resource recycling and also working with our suppliers to explore environmental-friendly business models.

#### *Green workplace*

Our primary energy and resource consumptions are the electricity and water required for our offices. We record and analyze the energy and resources usage, investigate the causes of any abnormalities in water and electricity consumption, and optimize our energy conservation and emission reduction measures based on real-time data.

In terms of energy conservation, we have implemented a number of measures to rationalize the use of electricity in office areas, including, among others, (i) increasing the use of LED lights and replacing manual switch-controlled lights with automated sound-controlled lights; (ii) arranging routine inspections of office areas to ensure lights are off when not in use; and (iii) adopting a building control system that includes intelligent lighting and air conditioning, which allows us to minimize energy waste by enabling backstage power switches. The environmental management system of our Beijing headquarter has been certified under the ISO 14001 standards.

#### *Green data center*

Keeping sustainability in mind, we go to great lengths to ensure our data center service provider is fully competent in carrying out sustainable operations and exerts continuous effort to minimize environmental impact. We have enlisted environmental protection capability as one of our assessment elements when evaluating service suppliers. The supplier’s evaluation metrics include environmental impact, energy and resource utilization, use of renewable energy, and regional climate conditions.

### **Employee Care**

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

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### *Diversity and inclusion*

We foster inclusion and equality among employees from all backgrounds. We believe that diversity, including but not limited to gender diversity, is important to us in thriving in the business environment. Hence, we consider diversity in determining the composition of our personnel. As of June 30, 2022, over 48% of our employees are female.

We have also implemented a series of measures to improve the wellbeing of our employees. We provide family-friendly caring packages to employees in need, such as maternity leaves, pregnancy exam leaves, paternity leaves, nursing leaves, and six-hour workdays along with other benefits. We also respect the religious beliefs and culture of ethnic minority employees and provide them with leave for religious holidays. We respect and unbiasedly recruit persons with disabilities.

### *Employee training and development*

We are committed to developing customized training programs and personalized training plans for individuals of all levels and departments. We work closely with various business departments to design our courses including courses on corporate culture, professional competency, general skills and leadership development topics for employees to learn the skills they need to grow their careers.

We also combine the online experience with in-person classes to maximize learning outcomes. We have built an online learning platform in place, which allows our employees to access company-level and department-level courses online. As of June 30, 2022, all of our full-time employees had taken our in-house training courses.

### **Health, Work Safety, Social and Environmental Matters**

To ensure compliance with applicable laws and regulations, from time to time, our human resources department would, if necessary, adjust our human resources policies to accommodate material changes to relevant labor and work safety laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or other penalties due to non-compliance in relation to health, work safety, social or environmental regulations and have not had any accident, or claim for personal or property damage made by our employees, that has materially and adversely affected our business, financial condition or results of operations.

### **EMPLOYEES**

We had a total of 5,379 employees as of June 30, 2022. Substantially all of our employees were based in China. The following table sets forth the numbers of our full-time employees by function as of June 30, 2022.



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<b>Function</b>	<b>Number of Employees</b>	<b>Percentage</b>
Sales and marketing	2,525	46.9%
Research and development	1,399	26.0%
Operations	1,186	22.1%
General administration	269	5.0%
<b>Total</b>	<b>5,379</b>	<b>100.0%</b>

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 PRC law, we participate in various employee social security plans that are organized by municipal and provincial governments for our PRC-based employees, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident fund. We are required under PRC law to make contributions to employee benefit plans occasionally for our PRC-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 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 provisions 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 during the Track Record Period. Please refer to “Risk Factors—Risks Relating to Doing Business in China—Our business may be negatively affected by the potential obligations if we fail to comply with social insurance and housing provident fund related laws and regulations.”



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### FACILITIES

Our headquarters are based in Beijing and we have offices in 48 cities in China. As of the Latest Practicable Date, we did not own any properties. We leased properties in China with a total gross floor area of approximately 75,000 square meters as of the Latest Practicable Date. Our leased properties are mainly used as offices, which are the non-property activities as defined under Rule 5.01(2) of the Listing Rules. 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.

As of the Latest Practicable Date, a number of our lease agreements had not been filed with the local housing administration authorities as required under PRC laws. Our PRC Legal Adviser has advised us that although the non-filing of such lease agreements would not affect the validity of such agreements under PRC laws and regulations, we might be ordered to rectify this non-filing by competent authorities and if we fail to rectify within a prescribed period, an administrative penalty of RMB1,000 to RMB10,000 for each non-filed case may be imposed on us as a result of such non-filing. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties as a result of our failure to file the lease agreements described above.

As of the Latest Practicable Date, (i) for a number of our leased properties, the lessors could not provide relevant title certificates or supporting documents evidencing their right to lease such properties; (ii) for a number of our leased properties, our use of which does not comply with the approved use stipulated in the title certificates of such properties, and the lessors/owners fail to provide any documents required to be obtained by the relevant competent authorities, approving the change of use of such leased properties; and (iii) a number of our leased properties were subject to mortgage when we entered into lease agreements. However, in the event that we are required to relocate from any of these leased properties as a result of the foregoing, given the nature of our operation, we do not believe that any relocation would result in material disruptions to our business. Please refer to “Risk Factors—Risks Relating to Our Business and Industry—We face certain risks related to our leased properties.”

### RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continually improving these systems. We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

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### **Financial Reporting Risk Management**

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

### **Data and Technology System Risk Management**

We consider the protection of the personal privacy of our users to be of paramount importance. To ensure the confidentiality and integrity of our data, we maintain a comprehensive and rigorous data protection program. We gain access to vast amounts of user static and behavioral data through our platform and we encrypt and store the data on our own servers and third-party cloud servers, which are protected by firewalls. We collect personal information data from users only with their prior consents.

We employ a variety of technical solutions to prevent and detect risks and vulnerabilities in user privacy and data security, such as encryption, firewall, vulnerability scanning and log audit. For instance, we store and transmit all confidential user data in encrypted formats and have a team of professionals who participate in research development and are dedicated to the ongoing review and monitoring of data security practices. We maintain data access logs that record all attempted and successful access to our data and conduct automated monitoring and routine manual verification of large data requests. We also have clear and strict data authorization and authentication procedures and policies in place. Our employees only have access to data which is directly relevant and necessary to their job responsibilities and for limited purposes and are required to verify authorization upon every access attempt. See “Risk Factors—Risks Related to Our Business and Industry—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.”

### **Human Resources Risk Management**

We provide regular and specialized training tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff’s skill sets remain up-to-date and enable them to discover and meet our users’ needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence, and corruption.

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We have in place a code of business conduct and anti-bribery and anti-corruption related policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conducts and our anti-bribery and anti-corruption measures. We make our internal reporting channel open and available for our staff to report any acts of bribery and corruption. Any reported incidents and personnel will be investigated and appropriate measures will be taken.

### **Investment Risk Management**

We invest in or acquire businesses that are complementary to our business, such as businesses that can expand the services we offer and strengthen our research and development capabilities. In general, we intend to hold our investments for the long term.

In our investment projects, our investment team sources investment projects in accordance with our investment strategy and preliminarily assesses the risks and potential of the investment projects. We employ approval and due diligence mechanisms corresponding to the specific circumstances involved in an investment project. Our finance and legal departments cooperate with investment team on deal evaluation, structuring, analysis, communication, execution, risk control, reporting, and post-investment risk management. In addition, our investment team monitors the deal performance on a regular basis. Any material factors will be timely reported to our investment committee, which consists of several members from our senior management team who have extensive experiences in the industry, for further decision.

### **Audit Committee Experience and Qualification and Board Oversight**

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing, and mitigating risks involved in our business operations. The audit committee consists of three members, namely Charles Zhaoxuan Yang, Yonggang Sun and Yusheng Wang. Charles Zhaoxuan Yang, Yonggang Sun and Yusheng Wang are independent directors. For the professional qualifications and experiences of the members of our audit committee, see “Directors and Senior Management—Directors.”

We also maintain an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee on any issues identified. Our internal audit department members hold regular meetings to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department reports to the audit committee to ensure that any major issues identified thus are channelled to the committee on a timely basis. The audit committee then discusses the issues and reports to the board of directors if necessary.

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### Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our internal control team works closely with our legal, finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company.

We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and our internal control team conduct regular reviews to monitor the status and effectiveness of those licenses and approvals. Our in-house legal department works with relevant business departments to obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

Prior to our listing on the Nasdaq Global Select Market in June 2021, we had been a private company with insufficient accounting personnel and other resources with which to address our internal control. In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2019 and 2020, we and our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting as of December 31, 2020. As defined in the standards established by the PCAOB, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company’s annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relates to lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP to address complex U.S. GAAP technical accounting issues and to prepare and review the consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC, and lack of period-end financial closing policies and procedures for preparation of consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC. The material weaknesses, if not timely remedied, may lead to material misstatements in our consolidated financial statements in the future.

We have implemented a number of measures to address material weaknesses that have been identified during the IPO, including: (i) we have hired additional qualified financial and accounting staff with working experience with U.S. GAAP and SEC reporting requirements; (ii) we have established clear roles and responsibilities for accounting and financial reporting staff to address complex accounting and financial reporting issues; (iii) we have clarified reporting requirements and established effective oversight to address complex and non-recurring transactions and related accounting issues; (iv) we have developed and implemented a comprehensive and effective period-end closing process, especially for complex and non-recurring transactions to ensure financial statements and related disclosures are in

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compliance with U.S. GAAP and SEC reporting requirements; (v) we have established an internal audit team to enhance internal controls and assess the design and effectiveness of our internal controls; and (vi) we are conducting regular U.S. GAAP accounting and financial reporting training programs for accounting and financial reporting personnel.

Although the aforementioned remediation measures were implemented, these measures will require validation and testing of the operating effectiveness of internal controls over a sustained period of financial reporting cycles. And our independent registered public accounting firm didn’t conduct an audit of our internal control over financial reporting as of and for the year ended December 31, 2021. As a result, the previously identified material weaknesses still existed as of December 31, 2021. We will continue to implement measures to remediate the material weaknesses.

In anticipation of the [REDACTED], we have engaged an internal control consultant to conduct the internal control review and a follow-up review of the effectiveness of our internal controls associated with our business processes from July 2022 to September 2022. The internal control review and the follow-up review performed by the internal control consultant constituted a Long Form Report engagement pursuant to the relevant technical bullets in AATB1. The selected areas of the internal control review included entity-level controls, which covered the controls relating to the financial reporting competencies, and business process controls, which covered the financial reporting process. As a result of the internal control review, we identified certain areas that require improvements. We have subsequently taken remedial measures in response to the findings identified and recommendations provided by our internal control consultant. The internal control consultant also performed a follow-up review on our system of internal controls in September 2022, with regard to the remedial actions taken by us to address the findings of the internal control review. Having completed these follow-up procedures, the internal control consultant did not identify any material deficiencies in our internal control system. The internal control consultant did not have any further recommendations in respect of the internal control review. As of the Latest Practicable Date, there were no material outstanding issues relating to our internal control. Based on the remediation actions performed by the Directors, our Directors are of the view that the enhanced internal control measures over financial reporting are adequate and effective under AATB1.

## 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 “Risk Factors—Risks Related to Our Business and Industry—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.”

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### LEGAL PROCEEDINGS AND COMPLIANCE

From time to time, we have been and will be involved in disputes and legal or administrative proceedings in the ordinary course of our business.

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, Plaintiff filed the 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, both inclusive. 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. In May 2022, the Company filed its motion to dismiss the Amended Complaint. Briefing on the motion to dismiss was completed in July 2022, and a decision remains pending. In September 2022, with the aid of a mediator, the parties reached a tentative agreement in principle to settle the case. As a result of such tentative agreement in principle to settle, we made a provision in our consolidated statements of profit or loss and consolidated balance sheets for the six months ended and as of June 30, 2022. See Note 17 to our consolidated financial statements included in the Accountant's Report in Appendix I to this document. The court granted the parties' joint requests to hold in abeyance a decision on any pending motions, including the motion to dismiss, until October 28, 2022, to allow the parties to file a motion for preliminary approval of the settlement terms. Subject to the court's approval of the settlement terms, and once the settlement is finalized, plaintiffs and potential plaintiffs will be barred from pursuing the same claims against the Company and other defendants named in this action. The case otherwise remains in its preliminary stage.

During the Track Record Period and up to the Latest Practicable Date, other than the proceedings disclosed above, we had not been a party to, and were not aware of any threat of, any legal, arbitral or administrative proceeding, which, in our opinion, would likely have a material and adverse effect on our business, financial conditions or results of operation.

Our PRC Legal Adviser is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incident 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. We are not currently subject to any ongoing investigation.

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### LICENSES, PERMITS AND APPROVALS

Our PRC Legal Adviser has advised that as of the Latest Practicable Date, we had obtained all requisite licenses, permits, approvals and certificates from the relevant government authorities that are material for the business operations of our subsidiaries and Consolidated Affiliated Entities, except as otherwise disclosed in this document. In the opinion of our PRC Legal Adviser, all of our subsidiaries and Consolidated Affiliated Entities in the PRC complied in all material aspects with relevant laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Our PRC Legal Adviser has advised us that such licenses and permits remain in full effect and had not been revoked or canceled as of the Latest Practicable Date. Our PRC Legal Adviser also has advised us that, there is no material legal impediment to renew such licenses and permits, as long as we comply with the relevant legal requirements and provided that we take all necessary steps and submit the relevant applications in accordance with the requirements and schedule prescribed by the applicable PRC laws and regulations.

The following table sets forth details of our material licenses, permits and approvals:

<u>License/Permit</u>	<u>Holder</u>	<u>Issuing Authority</u>	<u>Grant Date</u>	<u>Expiration Date</u>
Value-added Telecommunication Service License (for provision of internet information services)	Beijing Huapin Borui	Beijing Communications Administration	August 31, 2020	August 31, 2025
Human Resource Services License	Beijing Huapin Borui	Beijing Chaoyang District Human Resources and Social Security Bureau	November 22, 2021	November 21, 2026
Human Resource Services License	Beijing Glory Wolf	Beijing Chaoyang District Human Resources and Social Security Bureau	August 2, 2019	August 1, 2024



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### AWARDS AND RECOGNITION

During the Track Record Period, we have received recognition for the quality and popularity of our services. Some of the significant awards and recognition that we have received are set forth below.

<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
Well-known Internet Platform Award – 2019 Asia Pacific Human Resource Development and Service Expo (知名互聯網平台獎 – 2019亞太人力資源開發與服務博覽會)	2019	Organizing Committee of Asia Pacific Human Resource Development and Service Expo (亞太人力資源開發與服務博覽會組委會)
The first member unit of the Digital Economy Committee of the Asia-Pacific Economic Cooperation (APEC) China Business Council (亞太經合組織(APEC)中國工商理事會數字經濟委員會首屆委員單位)	2020	APEC China Business Council (APEC中國工商理事會)
Most Valuable Platform of 2021 Asia-Pacific Human Resource Development and Service Expo (2021亞太人力資源開發與服務博覽會“最具價值平台”)	2021	Asia Pacific Talent Service Institute (亞太人才服務研究院)
Member Unit of the Internet Industry Social Responsibility Construction Working Committee of the Internet Society of China (中國互聯網協會互聯網行業社會責任建設工作委員會成員單位)	2021	Internet Society of China Internet Industry Social Responsibility Construction Working Committee/Internet Society of China Secretariat (中國互聯網協會互聯網行業社會責任建設工作委員會/中國互聯網協會秘書處)
Excellent Employment Service Partner for 2021 University Graduates (2021年度高校畢業生就業工作–卓越合作夥伴)	2022	Ministry of Education of the People’s Republic of China (教育部)
Executive Director Unit of Internet Society of China (中國互聯網協會常務理事單位)	2022	Internet Society of China (中國互聯網協會)